

disaster areas as required by the RFC Act. These three areas are under the jurisdiction of the RFC Loan Agencies in Kansas City, St. Louis, and Oklahoma City, respectively.

2. The Kansas City Loan Agency has established seven emergency branch offices in the Kansas area; the St. Louis Loan Agency has set up three emergency branch offices in the Missouri area; and the Oklahoma City Agency has installed an emergency branch office at Miami, Okla. This makes a total of 14 RFC offices which are handling disaster loans in the flood areas.

3. The 11 emergency branch offices are empowered to make loans on their own authority up to and including \$5,000.

4. The managers of the RFC loan agencies in Kansas City, St. Louis, and Oklahoma City continue to have the right to make disaster loans on their own authority up to and including \$20,000. This authority has now been broadened to include loans from \$20,000 to \$50,000, providing they have the approval of the RFC Advisory Committee in the area.

5. In the interest of speeding up aid to flood sufferers, the RFC has obtained the cooperation of local banks to receive and process applications for disaster loans up to and including \$5,000. While the RFC must approve and make these loans, this system of bank cooperation is making it possible for flood sufferers to receive loan commitments as early as possible so they in turn can proceed immediately with rehabilitation efforts.

At the present time the RFC has a revolving fund of \$40,000,000 for disaster loan purposes and about \$4,000,000 of this was previously committed, leaving about \$35,000,000 for the present flood emergency.

Up to today we have received about 500 applications for disaster loans in the flood areas. These have ranged from a \$75 loan to replace a kitchen stove to a \$500,000 loan to restore a grain elevator. The total of these disaster loans so far has been about \$10,000,000 and they are coming in at an increasing rate.

To date in Kansas we have made 61 disaster loans totaling \$564,000; in Oklahoma 86 loans totaling \$116,500; and in Missouri 3 loans totaling \$3,750.

Also in the disaster area the RFC helps in another way. We were informed by the Department of Agriculture that there were between three and four million bushels of water-soaked grain in flood-damaged elevators and in railroad cars. This amount of grain will make between seven and one-half and ten million gallons of alcohol. The RFC uses alcohol in the manufacture of synthetic rubber. We indicated to alcohol distillers that we would consider the purchase of alcohol made from this flood-damaged grain at prices not over 70 cents per gallon delivered.

At a 70-cent price for alcohol, the distillers should be able to pay in the neighborhood of \$1 per bushel for the water-soaked grain. This compares with distress sales which were being made to feeders at prices as low as 15 cents per bushel.

In this way the RFC is obtaining alcohol at about 15 cents a gallon under the market; at the same time giving the Kansas and Missouri grain people a fair price for water-soaked grain.

RECESS TO MONDAY

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until Monday, August 20, 1951, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 16, 1951

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, as we go forth daily to meet our tasks and responsibilities in this time of crisis and confusion, may we heed Thy divine exhortation, "Wait on the Lord and be of good courage."

We humbly acknowledge that we are frequently tempted to lose heart and hope. May we have a faith that will give us a sense of serenity and security when the winds are contrary and the going is so very difficult.

Help us to feel that every duty is worthy of our best endeavor and that the noblest contribution which we can make to life is to have some part in establishing Thy kingdom of righteousness and peace upon this earth.

May we yield ourselves to the leading of Thy spirit, confident that where Thou dost guide Thou wilt also provide.

To Thy name, through Christ, our Saviour, we shall ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4386. An act making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. HOLLAND, Mr. YOUNG, Mr. CORDON, Mr. KNOWLAND, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government" for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 52-4.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the Labor-Federal Security appropriation bill, H. R. 3709.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following letter, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 15, 1951.
Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Veterans' Affairs, effective immediately.

Sincerely yours,

VERA BUCHANAN,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H. Res. 392).

The Clerk read as follows:

House Resolution 392
Resolved, That VERA BUCHANAN, of Pennsylvania, be, and she is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAINTENANCE OF CANAL AND RAILROAD BRIDGES FROM CAPE MAY HARBOR TO DELAWARE BAY

Mr. HAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4055) to authorize for an additional 2-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and bridges over such canal.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. RANKIN. Mr. Speaker, reserving the right to object, who is on that committee on this side of the aisle?

Mr. HAND. Mr. Speaker, I may say to the distinguished gentleman from Mississippi that this bill has been approved and cleared by both the majority and minority leadership of the House and the appropriate committee.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the clerk read the bill, as follows:

Be it enacted, etc., That the paragraph relating to the New Jersey Intracoastal Waterway in the first section of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved July 24, 1946 (Public Law 525, 79th Cong.), is amended by striking out "5 years" and inserting in lieu thereof "7 years."

Amend the title so as to read: "A bill to authorize for an additional 1-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and highway bridges over such canal."

With the following committee amendment:

Page 1, line 9, strike out "seven" and insert "six."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMALL BUSINESS COMMITTEE

Mr. BURTON. Mr. Speaker, Subcommittee No. 3 of the Small Business Committee has under investigation the production and distribution of steel. I ask unanimous consent that that subcommittee may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed one day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered, as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 1, line 11, strike out "one day" and insert "four hours."

The amendment was agreed to.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 162]

Albert	Barrett	Brehm
Allen, Ill.	Beall	Buckley
Allen, La.	Bennett, Mich.	Buffett
Andresen	Boggs, La.	Busbey
August H. Armstrong	Boykin	Chatham
	Breen	Chudoff

Coudert	Hays, Ohio	Rivers
Davis, Tenn.	Hébert	Sabath
Dawson	Hedrick	Sadlak
DeGraffenried	Hess	Saylor
Dingell	Hinshaw	Scott,
Durham	Hollifield	Hugh D. Jr.
Eberharter	Hunter	Sheppard
Ellsworth	Jarman	Smith, Kans.
Elston	Jenison	Stockman
Engle	Kearns	Taber
Fallon	McDonough	Vinson
Feighan	McGregor	Welch
Fisher	Mason	Werdel
Gamble	Miller, N. Y.	Wheeler
Garmatz	Morrison	Whitaker
Gordon	Morton	Wilson, Tex.
Gore	Murray, Wis.	Winstead
Gwinn	O'Konski	Wood, Ga.
Hall,	Powell	Yorty
Edwin Arthur Preston		

The SPEAKER. On this roll call 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernment Relations of the Committee on Expenditures in the Executive Departments may have permission to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, House Resolution 388 makes in order the consideration of the Mutual Security Act of 1951 recently reported by the Committee on Foreign Affairs. The rule is an open one, waiving all points of order, and, therefore, Members will have the opportunity to offer such amendments as they may see fit.

I have the feeling, Mr. Speaker, that most of the Members have to an extent made up their minds as to what they are going to do about this bill and I think the sooner we can get to consideration of the measure the better satisfied the membership will be. For the moment, therefore, I shall not use any more time.

Mr. Speaker, at this time I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I have just received a cable from Munich announcing that 1,200,000 balloon messages have been sent to the 12,000,000 prisoners of Czechoslovakia—the people of Czechoslovakia. These messages of hope and courage, written in language which these people know and love, forge a continuing bond of friendship between Americans and Czechoslovakia.

The voice of William Oatis may be temporarily silenced—speaking from Czechoslovakia to the free world. But the voices of the free world—speaking to Czechoslovakia—are raised, over a million strong.

My one regret about this well-conceived and splendidly executed project is that it was not conceived and executed

through an official agency of the United States Government.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, of course, I favor the rule and the legislation it makes in order. To me this legislation is of special import to the wage earner in friendly European nations.

The Europe of 1948—not so very long ago—was writhing in the throes of poverty and destruction. The Continent's economic structure had been shattered for the second time in a generation. Communism, thriving as always upon such conditions, was riding rampant. Indeed, it was threatening momentarily to trample all of Europe under foot.

The chief victim in this economic misery was the European worker. It was no accident that the chief object of Communist political activity was the European working class—particularly in the organized labor movement.

Communist hands were reaching out for a plum ripe to be plucked. Moreover, the safety of the entire free world was menaced if Europe could not be, once again, a strong and healthy member of democratic society.

But 1948 also marked the year that the Marshall plan came to the Continent with a program aimed at putting the European economy back on its feet.

Since that time Communist expansion throughout Europe has been halted and communism is now on the defensive.

The Marshall plan has always recognized that in order to make Europe strong enough to survive, European labor must have decent standards of living and a way of life that is worth defending. While the standards are not nearly as high as they should be, the economic plight of the workers of Europe would be drastically worse today but for the Marshall plan.

The success of the recovery program depends upon the European worker because, first, four-fifths of the goods that Europe needs to export in order to balance its dollar accounts must be the products of industrial labor. Secondly, industrial labor's cooperation is essential for the increased production vital to the Western World's defense effort. Finally, this segment of Europe's population is a critical factor in the ideological war now being waged against imperialistic communism.

Today, despite every means of propaganda that the Communist can muster, the majority of European workers are solidly behind the Marshall plan. The free trade-union organizations are in fact the most powerful single force in Europe working for economic recovery and the preservation of democracy against totalitarian encroachment.

Since the advent of the Marshall plan, employment has risen in 7 of 10 major countries receiving American economic assistance. These countries are Denmark, France, Germany, Holland, Norway, Sweden, and the United Kingdom. Using 1948 as a base, the rise in employment totals has ranged from a 3-percent increase in Sweden to 20 percent in Germany. The increase was 6 percent in

France, 8 percent in the United Kingdom, and 7 percent in Holland. Both Norway and Denmark have reported employment increases of 11 percent. In shattered Austria and Italy, the line has been held, in itself a fine achievement. Only in Belgium has there been a drop in employment figures.

Taking Europe as a whole, there are approximately 4,000,000 more people working since 1948. This represents a percentage gain of about 3.2 percent since the recovery program was initiated.

Immediately following the Second World War, the real earnings of most European workers fell to incredibly low depths. With the coming of Marshall aid, this trend was reversed and the real earnings of the workers began to make the long climb back. Basic conditions in the various countries, of course, differed widely.

Since the inception of the Marshall plan in 1948 to the present time, real earnings in Denmark have gone up 6.7 percent. Belgium, Holland, and Sweden realized about the same increase, while in Norway workers' real earnings rose 3.8 percent. Austrian workers have experienced a 13.8-percent rise from the 1948 low. In France, real earnings have begun to mount again—3.7 percent for the married worker and 3.9 percent for the single worker. In Italy, the over-all increase has been 6.4 percent. Western Germany has seen the most spectacular rise—41.4 percent. The United Kingdom's gain of 38 percent, by the time Marshall aid began to arrive, has been held stable despite the heavy inroads of rearmament on the country's strained economy. Only in Holland, due to local conditions, has there been a drop in the real-wage earnings.

Despite this tremendous recovery, the job is not yet finished. The havoc wreaked by World War II was such that even with this come-back record, worker living standards, especially in Austria, France, Italy, and Western Germany are still below those existing in the pre-war year of 1938.

This is because, in a great many areas of Europe, conditions could not have been worse when the Marshall plan began. The trend of real earning power has been turned upward since the arrival of American economic assistance.

But still, in a country like France, the worker currently has only about one-third the buying power in terms of food that the American worker does. And in Italy, the worker has but 25 percent of the food-buying power of his United States equivalent.

However, today, the specter of hunger has been eliminated and food rationing throughout most of the continent is now a thing of the past. Europe's workers no longer have to face interminable winters without any heat and no longer is there the severe, almost desperate, rationing of electricity, gas, and other utilities. Moreover, a large slice of Marshall plan counterpart funds—totaling \$442,000,000—have gone for low-rent housing projects so that the European worker might be better sheltered.

This reconstruction has not succeeded in replacing buildings destroyed during the war and has done little to meet the

demands for housing imposed on France, Italy, Greece, and Western Germany by increasing populations.

However, the results stemming from Marshall plan benefits to Europe's workers have been strongly evident. Just prior to the advent of the recovery program, communism's grip over the European labor movement was at its height. Now, 3 years after American economic assistance began, this dominance has fallen to its lowest postwar ebb.

It was, for instance, the workers in Europe who first gave the earliest and strongest support to the United Nations action against Communist aggression in Korea. While other segments of European society debated whether or not to follow the United States lead, the workers, through their unions, rushed to the United States side. Using every informational means at their disposal, the UN action was explained as vital for the defense of democracy. Long considered pacifist in outlook, Europe's workers were no longer willing to settle for peace at any price.

And in order that Europe will be strong enough to survive, European workers are seeing to it that the vital shipments of Atlantic Pact arms aid are arriving safely. This is happening even in France, where so much yet remains to be done. When the Marshall plan first began, Marseilles was one of the great ports controlled lock, stock, and barrel by the Communists. The Reds controlled 54 of the 55 seats on the port dockers committee. But since then, the Communists have lost all but 10 of these seats and arms for the free world's defense are being unloaded without incident. The same thing applies to other great continental ports such as Cherbourg and Naples.

Another example of how Europe's workers now feel occurred in Austria less than a year ago. By means of a general strike, the Communists attempted a crude coup d'etat. But Austria's free workers—the overwhelming majority of the country's labor force—refused to go along. And the Communist power bid resulted in a miserable failure.

There are some of a growing number of instances which show that the Communists are failing in their attempts to use Europe's workers for their own ends.

They are instances where worker benefits from the Marshall plan have brought about a renewed faith in democracy, a new optimism for tomorrow.

It must be stated, however, that there are two countries in Europe where communism though on the defensive still remains a power to be reckoned with. In France and in Italy, workers must have decent standards of living and a fair share of the fruits of recovery before the Red influence is wiped out. Management in these countries has yet to realize that the fruits of greater productivity—a productivity which has already risen above prewar levels—must be shared by the workers.

Nevertheless, the primary task of the Marshall plan was to get the basic industries on a functioning, producing plane. This job, by and large, has been accomplished.

The task ahead is one of increasing productivity, and insuring that the workers do benefit in the form of higher wages and lower prices.

The Marshall plan's new productivity-improvement drive is aimed specifically at these goals. European industry is now producing. It can and must produce more efficiently.

Once properly reorganized, retooled, and reoriented industrially, Europe will be able to increase its economic pie by \$100,000,000,000 a year according to an estimate made recently by ECA Administrator William C. Foster. This will mean that the living standards of our European friends, especially in current trouble spots, would continue to rise at the same time these nations are rearming for western defense. It also will mean a final thrust at the already weakened Communist influence in Europe.

This final step must be completed in rebuilding Europe and in seeing that the continent's working force does have the living standards and way of life which are indeed worth while defending.

Mr. BROWN of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, I would like to preface my remarks by stating I believe that by carefully reducing nearly every item of military and economic aid provided in this bill, we could reduce the total amount by \$2,000,000,000 or more and in no way slow down or weaken our assistance to the nations covered in this bill.

I make this statement because I feel certain that they will not be able to spend more than the \$5,000,000,000 the bill will carry if it is reduced by \$2,000,000,000. I think it ought to be reduced because excessive appropriations contribute to excessive and wasteful spending. I think it ought to be reduced because it will lessen the tax load on our people by that amount.

Mr. Speaker, last week we voted to appropriate over \$61,000,000,000 for national defense. Many believe that amount should have been cut \$5,000,000,000. In the bill before us we are asked to take from our American taxpayers another \$7,800,000,000 for military and economic aid to foreign countries, making a total of about \$69,000,000,000.

Mr. Speaker, this will increase the tax load \$460 on every man, woman and child in the United States for defense alone.

Our present national debt of \$256,000,000,000 amounts to a mortgage of \$1,700 on every man, woman, and child in our Nation. This \$460 added to the \$1,700 individual mortgage, increases the mortgage or debt on each of our over 150,000,000 people to \$2,160. On a family of 4 the mortgage or debt amounts to \$8,640.

I ask you in all seriousness, my colleagues, how long can we continue such spending without wrecking our country financially and impoverishing our people?

And, in addition, Chairman VINSON of the Armed Services Committee will have a bill before us soon to increase our Air Force to 163 wings that will increase the above amount by possibly more than

\$10,000,000,000 a year. Then we will have to add many billion dollars a year to maintain such a force.

We cannot carry the colossal cost of such a military budget without crushing the taxpayer, and destroying the economic strength of our country. Unless we stop this hysterical spending, our annual budget will soon exceed \$100,000,000,000 a year. You cannot possibly get that much money from the American people. It is time to supplant hysterical and wishful thinking with sound economic analysis, and arrive at realistic conclusions.

Since the beginning of World War I, to and including the appropriations requested of this Congress, we will have spent for defense, the prosecution of these wars, and in aid to our veterans caused by these wars, \$647,000,000,000. We will have to continue spending many billion dollars a year for defense, probably for the next 10 years. I ask you, how long can we continue at this rate of spending?

During and since the war, we have followed a policy of dollar diplomacy, in an effort to bribe and buy the friendship of foreign countries, to the point where, in many instances, we have almost become subject to financial blackmail by other nations. This policy has made us few if any real friends.

Some of the loans and gifts were necessary and, in my judgment, have been highly beneficial. We have helped to put Germany and all Western European countries on their economic feet to the point where their production is estimated to be running 44 percent higher than it was before they entered World War II.

Our financial aid to Japan under the wise leadership of General MacArthur has resulted in establishing a new government of freedom, which will align itself with the western nations of the world very shortly when the peace treaty is signed.

I think I voice the sentiment of many Members of the House when I say that we should hesitate to approve the \$2,000,000,000 of economic aid provided in this bill because we have rehabilitated Western Europe to where it is no longer necessary.

However, many Members feel that some economic aid should be given to a few nations in Western Europe, the Balkan countries, and some nations in the Far East.

I think the amount provided in this bill for both military and economic aid is much more than is necessary. For that reason, I suggest we reduce the amount of military and economic aid carried in this bill by approximately \$2,000,000,000.

If this reduction is made, the bill will still provide \$5,800,000,000, all the aid necessary for the coming year, more money than they will be able to spend, and it will lessen the load on our people now heavily burdened with taxes.

I submit this is a very reasonable reduction. I think we should, in fact, reduce the amount by \$3,000,000,000. I suggest this smaller amount because I fear the Members will not approve a larger reduction.

Mr. Speaker, I make this suggestion in the interest of our heavily burdened taxpayers and all the citizens of our Nation.

Is it not time we try to offer some protection for our own people? They sent you and me here to protect their interests first. They did not send us here to bleed them to death through taxation for the support of dozens of nations throughout the world. They did not elect us their representatives, to tax them and their Nation into financial bankruptcy, and plunge them into chaos, poverty, and ruin.

The thousands of people we represent in each of our districts are worried with present conditions. They are more fearful of their future and the future of their children than ever before in our history. They know this Congress is permitting too many billions of dollars to be wasted in reckless spending, and given away to countries all over the world. They know this outpouring of their money is largely responsible for the high cost of living and the inflation now upon us; that this reckless spending has driven down the purchasing power of their dollar to about 45 cents; driven down the purchasing power of their Government bonds and savings of every kind; and has driven up, higher and higher, their taxes and national debt.

You have a chance to calm their fears, and to help restore their confidence in their Government by greatly reducing the amount called for in this bill, and by drastically reducing the amounts called for in the several appropriation bills as they come before us in the future.

Mr. Speaker, it is time to call a halt, and stop the unnecessary giving away and reckless spending of billions of dollars of their hard-earned savings, in every session of the Congress.

If you will make such a reduction and continue to reduce appropriation bills as they come before us, we can close this session of Congress by reducing the budget by over \$7,000,000,000. By such action the Congress will regain the confidence of the people. We will stop the decline of the purchasing power of the dollar. We will reduce the pressure of inflation. We will alleviate the fear of the people we represent, we will restore their optimism of hope, increase our own self-respect by doing our full duty, and greatly strengthen the financial stability of our Government.

My friends, are any of us so juvenile and naive in our thinking, that we fail to realize our first line of defense is the financial solvency of our Government. You say, this is a defense measure. Properly handled, it can and will contribute to our national defense.

But, if we wreck our Government at home in spending more billions than necessary to build up a dozen other nations of the world, we will wreck and destroy our defense, we will fail the people we are sworn to protect and represent, and we fail the nations of the world we overzealously try to help.

If you spend the United States into bankruptcy, you make the dream of Lenin, the founder of Russian communism, come true. You make it possible through poverty and despair for commu-

nism later to take over our country and the world and black out freedom, liberty, and the happiness of all civilization.

We can and must keep the United States so strong that it will remain the central dynamo of force and power reflecting our influence for peace throughout the world, and our power to achieve victory if war must come. If we will keep America strong so that she can carry the torch of freedom high, and continue to aid other nations to the limit of our ability, we will in time destroy and defeat the godless ideology of communism.

Our greatest danger to ourselves and our allies lies in overextending ourselves. Trying to carry too big a load all around the world. We shot and shipped away billions of our national resources in World War II. We gave away in lend-lease and in bank loans over \$70,000,000,000. We have given away to other nations since the close of that war about \$40,000,000,000.

Now we propose to give away in this bill over \$8,000,000,000 more.

The Ways and Means Committee has just spent 6 months searching every nook and corner of our Government in raising tax schedules that will only bring in \$7,200,000,000. In this bill now before us, you propose to give it all away to other nations. Do you think it is fair to our people to grind them down with the heaviest taxes ever known and hand their tax money over to other nations?

Chairman DOUGHTON, one of the greatest Members ever to serve in this House, a few weeks ago when presenting the \$7,200,000,000 tax bill told us this is the last big direct tax bill the economy of our Nation would stand. That we were at the end of the tax road. He said we have scraped the bottom of the tax barrel. My friends we must heed this warning.

Here you have the Ways and Means Tax Committee laying the heaviest taxes ever known on the American taxpayers, and you are promising to give it away in this legislation to other countries before we can collect it from the sweat and toil of our people.

Mr. Speaker, it is time for the Congress to assert its full power and influence in the formulation and direction of our domestic and foreign policy.

What we most need today in our foreign policy is to replace the propaganda of fear, appeasement and crises with a policy of calm, firm, honest common sense leadership in solving our problems of government. If we continue the policy of hysteria and fear of Russia, and continue to dissipate our material and financial strength throughout the world, we will not only weaken ourselves at home, but continue to play right into the hands of Russian communism whose founder, Lenin, predicted over 30 years ago that Russia would cause the United States to spend itself into bankruptcy.

Many of the ablest thinkers, and I agree with them, believe that Russia is playing such a game at the present time. They believe that Russia knows she dare not start a war with the United States, because if she does, she will end up in as great a defeat as was brought upon Hit-

ler. It is time to swing the big stick—time to stop parading our weakness before the world. Russia knows we have the power to defeat her and bomb her industries to destruction; that she does not dare risk a war with us.

If we adopt a policy of making certain that we preserve our own economic and financial strength, it will strike terror to the bluffers in the Kremlin, and start the nations of the world toward peace.

Let us start on that road today by intelligently reducing this bill. It is up to the Congress of the United States to keep our own Nation strong and thereby make our greatest contribution to other free nations in averting world war III and following the road to peace.

Mr. COX. Mr. Speaker, I yield 14 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I do not know what the Members of the House generally feel about this bill. I am deeply disturbed about it so far as I, personally, am concerned. I would rather suspect that the House is going to be divided on this bill in about four classes. There are those who are for the program—and they are convinced. There are those who are against the program—and they are convinced. They will stand pat and vote for their respective sentiments. Then, I think there are those who are in doubt and want to be convinced against the bill. Then, there is the class to which I belong: Those who are in doubt on some features of the bill and want to be convinced for the bill.

I am one of those who has always supported the Marshall plan—the ECA. I have always supported the North Atlantic Pact. I believe in arms aid to Europe. I have some questions in my mind which I hope the debate will clarify as to certain features of this bill. To give you an example of what I have in mind, as I understand the bill, we propose to do two things. One is to give military assistance, that is arms, and teach those people whom we want to aid how to use those arms—in other words, military assistance. Then we are going to give them economic assistance, which is sustenance, and those things which will help to keep them healthy and so forth, and the things which will aid their economy.

I am thoroughly convinced that the program is sound as to Europe. I am thoroughly convinced that Europe, so to speak, is our first line of defense. We have to operate there.

I am in doubt as to some of the other countries. I will mention, as an example, the Asiatic countries. Consider the case of India. I believe there is a provision for \$1,350,000,000 for arms to Asiatic countries. Then there are some hundreds of millions of dollars for economic aid to India and other countries. Consider India. We have had some experience with India. This year we just gave them \$190,000,000 worth of wheat. We called it a loan, but everybody figured it was a gift. We have already done that this year. We are supposed to make friends out of India. Well, I have been watching the public utterances of Nehru. I do not think we have made any friendship there. I am worried about

what Nehru is going to do with the things we give him.

Now to come down to what I am worried about—if we give arms to India and we teach them how to shoot. I would like to be convinced as to whom they will shoot at after they have learned how to shoot. Are they going to be shooting at us, or at our enemies? I think that doubt which is in my mind applies to the Asiatic countries. Consider Iran. There is aid here for Iran. Everybody knows that Iran is in a ferment right this minute. Nobody here can predict whether they are going to be shooting at us or at the Russians. I am apprehensive that we may be putting in the hands of these countries a lot of tanks, guns, and other things that may be used against us in the future.

I want my mind to be relieved on that subject. I hope this debate is going to do it. I understand that we have in this bill some eighty million dollars scattered all over the earth for point 4. Point 4 passed the House, and I suppose the House is for it. I was opposed to it and I am still opposed to it. I do not believe in a world-wide WPA and that is exactly what it is, but it is in this bill. I do not think it ought to be in this bill. I never could understand why we ought to teach everybody in the world what our particular asset is; namely, the know-how to do things. We are going to teach all of our friends and our potential enemies just as much about the know-how to produce arms and ammunitions and foodstuffs as we know. Then, what is going to happen after we teach them? That is what worries me.

We have in here an item of aid to Israel that I do not think ought to be in this bill. But it is in there, and I have no special objection to it. I am just expressing some doubts that are floating around in my mind. I have the deepest affection for, and utmost confidence in my good friend, the chairman of the Foreign Affairs Committee [Mr. RICHARDS]. I am hoping that he is going to resolve the doubts I have, and I am going to vote for the bill, whatever comes out of it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understand the gentleman correctly, he would like to be convinced that insofar as military aid is concerned, if we do undertake to give arms to other nations we ought to be reasonably sure that those nations are our friends and will be on our side in the event of difficulty. If that is what I understand the gentleman to mean, may I say I agree with him wholeheartedly and I join with him in expressing the hope that we can have assurances in that regard.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. CELLER. I wish to state that during the last war India had over a million men under arms on the allied side, on our side.

Mr. SMITH of Virginia. That is what I am afraid of. You may have a million men under arms, but from present indi-

cations they will be on the other side, and I do not want to furnish them any guns if they are going to be on the other side. I want the gentleman, or somebody else, to give me some assurance that that is not going to happen.

Mr. RIBICOFF. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RIBICOFF. I think the query raised by the gentleman from Virginia and the gentleman from Indiana is proper. I commend to the gentleman from Virginia and the gentleman from Indiana, and all the membership of this House, a careful reading of section 508 of the bill. On page 24, section 508 lays down the conditions. We think we have nailed this down pretty well, to make sure that anyone who receives aid of any sort from the United States of America will be our friend and will be with us in the development of peace and international security, and also the security of the United States. That section is well worth study.

Mr. SMITH of Virginia. That is a very interesting contribution. I think I have read that, but just how are we going to be guaranteed what Nehru will do, for instance? I simply use him as an example. How are we to know that Nehru is going to do what he says he will do? He has never said that he is going to be on our side. Every indication that I have ever heard of is that he is on the other side.

Mr. RIBICOFF. I will say to the gentleman that in the field of international relationship there are no certainties, but I would say that certainly this program is not a program where all the arms and all the aid will be put on one ship and delivered in 1 day to any one recipient. It is a continuing program, and I would hope that those responsible—

Mr. SMITH of Virginia. I cannot yield further. I yield to the gentleman from Indiana.

Mr. HALLECK. Appropos of the suggestion of the gentleman from New York [Mr. CELLER], to the effect that in World War II India had a million men under arms, it is worthy of note also that in that war Russia had millions of men under arms, but as of today no one will deny that Russia is our enemy.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. JUDD. The answer, I think, to the gentleman's question is in the language to which the gentleman from Connecticut referred:

No military, economic, or technical assistance . . . shall be supplied to any nation in order to further military effort—

Unless it agrees to certain things and—

Such agreements shall include appropriate provisions for such country to—

(1) Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party.

The Government of India has no such agreement or treaty with us and in fact has announced that it will not enter into any military agreement with any country. So the President could not possibly

give military assistance to India under this act.

Mr. SMITH of Virginia. The gentleman will understand that I am not antagonistic; I am just seeking information. Let me ask the gentleman a question, and I want him to answer: If that be true and we are going to adhere to that language and Nehru has said he will never enter into any such agreement why, then, do we include him for military aid?

Mr. JUDD. He could not get military aid under this bill; not a cent for military aid could be given to Mr. Nehru under that language of the bill. There is some economic and technical assistance, no military assistance.

Mr. SMITH of Virginia. I wish the gentleman would look at page 26 of the report where it gives the list of Asiatic countries that are included in this aid, if I have read it correctly. One of those countries, as I understand, is India, another is Pakistan.

Mr. JUDD. They are eligible for economic but not for military aid. They have no military agreement with us; they cannot under this act receive military assistance from us; they can get economic assistance.

Mr. SMITH of Virginia. I will check that further, and if it is not true I am sure the gentleman will cooperate with me in making that language clear.

I want to ask another question while I am up—I am propounding some questions here because I want to be convinced—why should we be giving India more economic aid when we have just given them \$190,000,000 worth of wheat and she is about to go to war with Pakistan, her neighbor? I want to know something about that.

I yield to the gentleman from North Carolina [Mr. BARDEN], if I have any more time.

Mr. BARDEN. I wonder if the gentleman could explain the difference between economic aid and military aid so far as the ultimate effect on the fighting strength of the nation is concerned? In other words, it is my idea that when you give economic aid you make that nation stronger so that it can be strong militarily. What is the distinction between giving a nation military aid and economic aid?

Mr. SMITH of Virginia. I am not explaining; I am asking for explanations, so I am perhaps not qualified to answer the gentleman's question.

Mr. BARDEN. Possibly I may be able to ricochet the question off of the gentleman to someone else who can answer it.

Mr. SMITH of Virginia. Let me ask a question. As I understand it, although it is not very clear from the language, giving them more food certainly makes them more willing and able to fight. The distinction as I see it is between helping to arm a country and feeding them.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SPRINGER. May I say in connection with that language I have received information within the last 3 days which I think is fairly reliable, and I

think it is known to the other Members of the House that actually what the gentleman has said is true. The wheat which we gave to India, that I voted for, is now being used to mobilize India's armies. You saw none of this stand which Nehru is making against Pakistan until this wheat had been agreed to be delivered to India; and I understand that is what mobilized their army now against Pakistan. I just make that observation not that I think it is any answer to the question of the gentleman from North Carolina, that there is no distinction between economic aid and military aid in a great many instances, particularly here in the case of India.

Mr. SMITH of Virginia. I thank the gentleman and yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, at the very beginning may I compliment the gentleman from Virginia for his approach to this entire problem now before us. I hope I may be able to discuss this proposed legislation with the House for a few minutes in the same fair and factual manner as did the gentleman from Virginia [Mr. SMITH]. But before discussing this measure in detail, it might be well to make it clear that while the rule provided in the resolution as printed, and which is now before us, makes the mutual aid and assistance bill in order for a full day of general debate, an amendment was adopted at the very beginning of the consideration of the resolution to restrict general debate on the bill to 4 hours, with the understanding, I believe, between the leadership and the Committee on Foreign Affairs that there will be no attempt to shut off debate under the 5-minute rule until we have had a fair discussion and all Members have had an opportunity to express themselves.

This bill, H. R. 5113, which is titled "A bill to maintain the security, promote the foreign policy, and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security," authorizes the expenditure of \$7,848,750,000 in the fiscal year which ends June 30 next.

Of this amount \$6,363,000,000 would go to European countries, with \$1,335,000,000 being for economic aid and \$5,028,000,000 for military assistance. The sum of \$590,000,000 would go to the countries of the Near East and Africa, divided \$415,000,000 for military assistance and \$175,000,000 for economic aid. The sum of \$778,750,000 would go to Asiatic-Pacific countries, to be divided three ways, \$530,000,000 for military assistance, \$237,500,000 for economic aid, including Korea, and then \$11,250,000 in a separate item as assistance to Korea.

Title IV of the bill carries \$62,000,000 as aid to be given to the American republics, which refers, of course, to the republics to the south of us. It includes \$40,000,000 for military assistance and \$22,000,000 for economic assistance.

Title VI of the bill carries another item of \$55,000,000. That is for strategic materials and I think also some of it goes perhaps to point 4.

The bill, as it was introduced in the House called for a total appropriation of \$8,500,000,000, and to the credit of the Foreign Affairs Committee of the House, let me say the committee reduced the total by some \$651,250,000. But the amount that is left in the authorization contained in this bill, I want to emphasize, is still \$7,848,750,000.

The authorizations in this bill as it comes here are, of course, to implement some of the legislation and some of the policies and programs which have been previously approved by the majority in the American Congress, such as the North Atlantic Defense Pact treaty or agreement, and the so-called Marshall or ECA program. The ECA program, by the way, is scheduled to expire completely next June 30 at midnight. I understand that under the original plans there would have been about \$650,000,000 still to go for economic assistance under ECA or under the Marshall plan had it not been for new and recent military activities in Europe and elsewhere in the world.

However, I wish to emphasize this, if I may, and I do not want any of you to forget it, that this measure is just the first step, this \$7,848,750,000 authorization, in what has been announced is to be a 3-year program which will call for the furnishing of approximately \$25,000,000,000 in military, and perhaps also in some economic, assistance and to foreign nations in the next 36 months ahead, according to General Marshall and to others who have so testified before congressional committees.

When this bill came before the Committee on Rules I was finally forced to say, "I will not participate in reporting a bill regarding which we cannot get full information." Of course, there is considerable information contained in this report, but there is even a great deal more which is not in this report. As a member of the Committee on Rules I was told that many of the expenditures authorized by this bill were secret; that "we cannot tell the Congress; we cannot tell the Committee on Rules; we cannot tell you, Mr. BROWN," or any of the others sitting here as Representatives of the American people, elected by them to act and to speak for them, just how much the United States is going to give to any one particular country. That is a secret, we were told. Finally, to the credit of the chairman of the Committee on Foreign Affairs, we were told that if any of us wanted to have this information furnished us in secret, to be imparted to us on our word of honor as Members of Congress, I presume to keep it inviolate within our own breasts, not to tell anyone we represent where their money will be going, the committee would give us that information privately.

As I pointed out in the Committee on Rules, there is little or no secrecy as to the taxes the American people are being called upon to pay in order to meet the expenses of these foreign-aid programs. There is little or no secrecy as to the activities of the draft boards of America. There is not much secrecy as to the shocking casualty lists which are pouring in telling of our losses in Korea. There is not much secrecy about the

deaths of thousands of American boys on foreign battlefields.

I want to repeat, Mr. Speaker, what I said in the Committee on Rules, that I am getting sick and tired of being called upon to send to the floor of the House legislation that is marked "secret"; sick and tired, Mr. Speaker, of appropriating and spending the people's money secretly on the thesis or the basis that not even Members of Congress, let alone the American people who are footing the bill and fighting the war, can be trusted to know anything about what is being done.

Seven billion eight hundred and forty-eight million seven hundred and fifty thousand dollars. That is \$648,000,000 more than the total new revenues which would be raised by the new tax bill that we passed here in the House late in June, and which is now pending before the other body; a bill which would increase personal or individual income taxes on all American citizens by 12½ percent, and make them pay one-eighth higher taxes than before; a bill which would raise to an all-time high the taxes on corporations so that the Government will become the major partner in every business concern and activity in this country and take at least 52 percent, and perhaps as much as 80 or 85 percent, of the earnings of those concerns and corporations.

The proposal or program we have had before us is not the first of its kind to be presented to us. I predict that it will not be the last.

So I want to express what I believe is the feeling of many of us here by saying that I am losing quite a bit, if not all, confidence in the statements which are so regularly given to us by those in control of our Government. We have been told time after time that if we would just adopt this give-away program or that give-away program everything would be lovely, and we would have peace and contentment, quietude, and serenity, not only here at home but throughout all the world.

I can recall the days when we were being told, "If we will just give them the guns they will furnish all the men and do all the fighting." But, you will remember, it was not long until our youngsters were doing most of the fighting and dying in Europe. We were not only supplying the cannon, but the cannon-fodder as well.

I can remember back to lend-lease, which we were told would solve all the problems of the world and bring us peace. I can recall back when we were going to put Great Britain on her feet by making the British loan. I can also recall the brave words and the many promises uttered here about UNRRA, and how that great charity program was going to solve all the world's problems, and give us a peaceful and prosperous humanity.

My colleagues, it is time we stop, look, and listen. We must take time to consider what is being done to the great country which is called America. We must begin to realize how much we have already given of our national substance in the attempt to buy friendship and whether or not our attempts have been successful.

From July 1, 1945, to March 31, 1951, the United States of America expended or gave away \$32,682,000,000 in foreign aid, and that figure does not include military items and activities for the benefit of others. That is \$210 per capita, if I have figured correctly. In 10 years we have spent, on different types of foreign aid, military and otherwise, outside of fighting wars, \$124,000,000,000 of the American people's money. We appropriated the other day for our own national defense \$56,400,000,000. We are now devoting a far greater percentage of our national income for military purposes than any of these nations, and I refer you to this report, which we are helping so much.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. ARENDS. In order that the Members may better comprehend what the gentleman is talking about in quoting the figure of \$124,000,000,000, may I say that I saw a figure the other day of \$115,000,000,000 we had given, granted, or loaned since the beginning of these programs, which is equivalent to the physical assets of the five great States of Illinois, Indiana, Iowa, Michigan, and Wisconsin, completely.

Mr. BROWN of Ohio. The gentleman is quite right. And remember that a great portion of that money was borrowed, and the debt is left for our children and our grandchildren to pay. We have not been furnishing this foreign aid from our own surplus, or paying for it with our own extra money which we can spare. Instead we have been spending and giving away the earnings and the substance of our children, and our children's children yet unborn, in an attempt, of course, to buy friendship and peace. We started out to help Europe recover from World War II, and then, when Europe had recovered to her prewar condition, the job would be done, we were told.

But let me read you a few facts and figures, if you please, from the bible of the State Department, the Economic Cooperation Administration, Eleventh Report to the Congress. May I read only two or three sentences? Remember, we were to help Western Europe recover her ability to produce and then everything would be hunky-dory, everything would be perfect. But let me quote what they say:

The sharp rise in Western European industrial activity carried output in the fourth quarter of 1950 to a new postwar peak, 38 percent higher than 1938.

In other words, according to this official ECA report, Western Europe has not only recovered industrially to where it was before World War II started, but is actually 38 percent better off than it has ever been, has a 38-percent higher production than at any time before World War II started.

But that is not all. Let me quote further:

Steel production at the rate of 54,000,000 metric tons annually reached the highest level on record in Western Europe. New postwar peaks were established in motor vehicles and textile output and in ship

building. New records are being established in agricultural production which for Western European countries as a group is expected in 1950-51 to reach a level nearly 10 percent above that of prewar.

Then, let me quote to you this too, if I may:

In the fourth quarter of 1950—

Now this is not BROWN of Ohio speaking—this is the ECA itself speaking—

In the fourth quarter of 1950, the export volume of the European Relief Program countries reached 157 percent of the 1938 level, and the monthly value of exports passed the \$2,000,000,000 mark for the first time on record.

What does that mean? That simply means that Western Europe is producing more goods than ever before—57 percent more production of goods for export than ever before. Going where? Into the world markets that were formerly supplied by the United States of America from the production of the factories and the labor here at home. But now we in the United States are producing steel—and making military weapons, tanks, and so on, under the military aid program, on the theory, if you please, that European nations cannot supply such weapons for themselves. Yet, at this moment, very moment, when the average American cannot get the steel he needs to keep his little workshop or factory going, when we have all sorts of restrictions upon the use of steel here in the United States in our effort to divert American steel to the making of weapons for foreign countries, European steel, sirs, is flowing into South America, and into Mexico, and taking the markets of those nations away from the steel makers of this country. That is happening in almost every other line of industrial production that I know of. So I have been forced to come to the conclusion: Unless we are more careful in what we are doing in helping Europe and other parts of the world to recover, we may destroy or lose the markets for the goods which flow from our own American factories and the skilled hands of our workers who are paying the costs of altruistic give-away programs. Once peace does come, we find we have made it impossible for many an American workman to have a job and the full dinner pail which he needs. We may find that in helping foreign nations too much we have destroyed our own. So I have come to the conclusion, reluctantly but with certainty, that while we may have to go ahead with some of this program, that we should and must, reduce the authorizations contained in this bill to more reasonable figures—eliminate as much of the economic aid as we possibly can—cut it in half at least—and reduce the military aid spending authorized by this legislation to a more realistic figure.

Remembering that many of the very same officials who are now telling us it is absolutely necessary to furnish machine tools, strategic materials, munitions and weapons to foreign nations, not long ago were with equal fervor assuring us of the friendship and trustworthiness of the Soviet Government of Russia and urging the furnishing of

all sorts of industrial equipment and military supplies to that nation, which has now turned upon us, I cannot refrain from sounding a note of caution. A sense of public duty compels me to warn the American people to stop, look, and listen. Those of us who serve in the Congress must get down to realism. We have lived and served long enough in Washington, we have had sufficient experience in Government, to know that none of these spending agencies ever ask for less than they need. We know they always ask for quite a great deal more than they either need or expect to get. If you question my statement turn to this committee report and just examine the list of witnesses who appeared before the Committee on Foreign Affairs in favor of this bill. You will find it was the spenders who testified, with but few exceptions, they asked for more than they are entitled to get. I hope the total authorizations contained in this bill will be drastically reduced. We can easily cut this total authorization by \$2,000,000,000—and perhaps by much more—without endangering our own security, or being unfair to other nations, but with much benefit to the average American who must pay the freight.

Let us remember that we cannot buy friendship—that it is difficult to help those who will not help themselves—that no military or defense advantage can be gained by arming those who do not have the will to fight for the preservation of their own liberties—and, finally, recognizing our responsibilities to others we must never forget that our first responsibility here is to our own people.

Mr. COX. Mr. Speaker, I rarely find myself in disagreement with the very able gentleman from Ohio [Mr. Brown]. I have at times wondered if I did not permit my deep affection for him to cause me too often to yield to his viewpoint. I listened to the gentleman with interest. It was not until he reached the conclusion of his statement that I got the point he was seeking to make. I understand that his objection to the bill is to the amount that it carries.

Mr. Speaker, there are many of us who have doubts about the bill, but it is my feeling that such doubts that haunt most of us will be dissipated if we will listen to the debate on the bill.

Representatives of the Foreign Affairs Committee who appeared before the Rules Committee on their application for a rule operated in complete frankness, and evidenced familiarity with the whole program. There was no apparent effort, none that I could see, or any inclination on the part of the committee, to withhold any information that might be helpful to the Rules Committee in passing upon the question that was presented. These representatives of the Foreign Affairs Committee conducted their case with becoming dignity and experienced no difficulty in convincing the Rules Committee that their bill should be brought before the House for such action as it might wish to take.

I was particularly impressed with the statements made by the chairman of the committee, the gentleman from South Carolina [Mr. Richards], by the gentle-

man from Ohio [Mr. Vorvys] and others. I was particularly impressed by the answers they gave to questions that were propounded to them. The question has been raised as to what is the difference between military aid and economic assistance. If I understood correctly the members of the Foreign Affairs Committee, economic aid is assistance that will be rendered to the friendly powers involved for the purpose, in the main, of being expended in the manufacture of munitions of war.

Mr. Speaker, it is possible that an amendment will be offered that I could support, but I wish to say, sir, that in the main I am for the bill. I do not see how we could afford to hesitate to move forward with the program that was initiated some 2 or 3 years ago. If these were normal times then there might be some reason for the opposition that we hear expressed to the adoption of this measure. But, Mr. Speaker, these are anything but normal times.

I should like to emphasize that not a dime of the money that is proposed to be devoted to the carrying on of this program will be expended except for the purpose of insuring national security. We know enough to know, Mr. Speaker, that strong, and mighty, and powerful as is this great country of ours, we cannot reasonably hope to contend with an angry world organized against us. We know, or we ought to know, Mr. Speaker, that Western Europe is important, that the continued cooperation as between our country and the other friendly powers of the world is necessary if this great United States of ours is to survive. I do not believe we will be able to locate a Member of this House who would take the position that nothing ought to be done.

The difference between Members of this body is, as I understand, confined largely to the question of amount of money that is authorized to be appropriated; and, with regard to this, Mr. Speaker, I should like to call attention to the fact that the Foreign Affairs Committee approached the consideration of this whole problem in a realistic manner. It has reported a bill that carries a reduction of three-quarters of a billion dollars in the amount claimed to be necessary for the successful prosecution of the program upon which we entered some time ago. It is my conviction that the committee has done an excellent job.

Mr. Speaker, I trust that there will develop no effort to tear this measure apart. The committee handling it carefully put it together, and is entitled to the thanks and the applause of the Congress and the country.

Mr. Speaker, I trust that the rule will be adopted and that the bill as written will, in the main, hold together.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, to avoid foreign entangling alliances is

to say that the United States should mind its own business.

Now that the Truman administration has squandered unlimited billions bringing tax exaction to the point of confiscation, the people of the United States want the Government of the United States to mind the business of the United States. The home problems have become unbearable under inflation. The dollar is vanishing in purchasing power under the waste, extravagance, and currency expansion. Instead of even attempting to devote time and effort to checking inflation the New Deal is running around the world poking the nose of our Government into other peoples' affairs. Already some of the countries are resenting the offensive course, and our Government is having its "Paul Pry" nose pulled for its pains. The price the people have paid as a result of the Government not minding its own business is colossal. I often wonder if it ever occurs to the bureaucrats, who are circulating at the taxpayers' expense from one country to another poking their noses into other countries' affairs, that the net result of their meddling will be trouble. The only way the people of the United States can have peace and prosperity is by having our Government mind its own business.

We could have kept free from the world war and from all the troubles which have followed the New Deal administration in charge of our Government had we minded our own business.

We have had trouble, and we will continue to have trouble, with the nations we have aided. One of the chief bureaucratic meddlers now making trouble abroad is the Economic Cooperation Administration. It is now trying to sell an ECA plan to foreign nations to which they violently object. This plan has aroused the Dutch officials to the point of frenzy. They are up in arms about this new factor in the ECA plan calling for direct contact between American officials and local trade unions and industry. These Dutch officials—more interested in preserving the integrity of their government and the sovereignty of their nation than in bartering these for United States dollars—charge that the ECA plan is "encroaching on national sovereignty," and is offering ammunition to the Communists, and end up by calling it "completely unacceptable."

The Dutch press is no less aroused. The conservative newspaper Trouw declares bluntly that the American plan for "direct interference in wage and price policy" represents nothing less than "an effort at colonization of Western Europe."

The Dutch press reports that—

The danger exists that ECA in intervening in the productivity problems of certain enterprises, would assume the tasks for which it is not equipped and for which it is not the most appropriate agency.

The Dutch Government never has approved of the way the ECA officers have run around their country talking to industrial and labor leaders, though it was tolerated so long as it remained strictly unofficial. The press reports: Dutch officials frequently were irritated

to find that in conference with business and trade-union leaders they were contradicted with the phrase, "But ECA says"—

The press reveals:

Now ECA has come up with its new program, which was inspired—

According to press accounts—

mainly by William Joyce, Jr., who made a survey tour of Europe and now has been named Deputy Administrator of ECA. The Joyce policy apparently spurred by the feeling that in Italy, France, and West Germany the Governments are not doing enough to increase productivity or to share the results of recovery fairly, is based on more direct contact with national economics.

Now what does the New Deal administration propose? I am informed that it proposes that bilateral agreements with Marshall-plan countries be amended, or new agreements be drawn, to empower ECA to deal directly with foreign industry and labor. Production-assistance boards would be set up comprising the government, industry, labor, agriculture, distribution, and the consumer—these boards to have independent status. Listen to this:

Specific plants would be "adopted" by American companies for the purpose of sharing technical know-how.

Eight billion dollars is now proposed for foreign aid. Every dollar to be earned by the sweat of the brow of the American taxpayer. This burden must be borne while taxes and inflation rob the people. Authentic information shows that ECA would make available \$330,000,000—\$250,000,000 in local counterpart funds and \$80,000,000 in dollars—to carry out the productivity drive.

The Internationalists—the One Worlders—utterly unmindful of their own country and also unmindful of the sovereignty, the self-respect of foreign people, insist on spending the American taxpayers' money to the taxpayers' detriment, and also contrary to the wishes of the citizens of the respective Marshall-plan nations.

The press reports that when the program was first circulated to the country missions, the ECA mission in The Hague expressed strong objections. Clarence C. Hunter, ECA Chief here, wrote ECA Administrator William Foster pointing out that the Dutch Government was as cooperative as could be wished and that there was no necessity in the Netherlands for such a far-reaching program, especially since a satisfactory rise in productivity had been noted here. Nevertheless, the new program was announced from Washington as a general policy, applicable to all Marshall-plan countries, stirring the violent reaction that could have been expected.

I repeat, \$8,000,000,000 to force our economic program on foreign nations which they do not want and which they resent. It means nothing to our bureaucratic, internationalist-dominated Government if the backs of our own people are broken with the weight of taxation.

Our republican form of government—so often slandered by calling it a democracy—would not have had the threat of communism and socialism and every species of foreign "ism" which now

menaces our Republic, except for failing to mind our own business. No people have ever long enjoyed peace, safety, and satisfaction under a so-called democracy. The founders of our Republic knew this and in their wisdom saw to it that our Government should be one founded on representation—a Republican form of government. I am opposed to H. R. 5113 and also to the rules.

Under leave to extend heretofore granted, I am inserting an article by Walter F. Trohan which appeared in the Times-Herald:

COST OF DEFENSE, FOREIGN AID GOES OVER \$500,000,000,000 MARK—VETERANS' BENEFITS SWELL UNITED STATES SPENDING—NEW BILL TO TAKE FIFTH OF NATIONAL INCOME

(By Walter Trohan)

The cost of defense and foreign aid has passed the \$500,000,000,000 mark and is soaring on toward the \$1,000,000,000,000 mark under the threat of world war III.

The cost of World War I and World War II with foreign aid and veterans' benefits, together with defense expenditures between the two conflicts and against the threat of communism, has reached almost \$647,000,000,000.

The total was sent over \$600,000,000,000 last week by House passage of the \$56,000,000,000 appropriation for the Army, Navy, and Air Force in 1951, which the Senate is expected to approve.

SECOND LARGEST APPROPRIATION

The \$56,000,000,000 appropriation bill is the second largest single appropriation bill in the history of Congress. The largest appropriation bill, as a \$59,000,000,000 military appropriation bill passed during the war on July 1, 1943.

The \$56,000,000,000 bill contemplates spending more than \$1 out of every \$5 of annual national income on defense. National income was estimated at a new high of \$251,000,000,000 recently.

The total cost of war, national defense in peacetime, foreign aid, foreign loans, and veterans' benefits are as follows:

World War I costs, 1917-19, \$17,725,509,843; World War II costs, 1942-45, \$243,832,226,728; peacetime expenditures, Army and Navy, 1920-41, \$28,003,073,955; World War I, foreign loans still unpaid, \$11,230,354,772; postwar loans, grants, and credits (January 3, 1940, through January 2, 1951), \$115,461,972,606; postwar national defense expenditures, \$123,863,114,269.

Fiscal years 1946 through 1951:

Veteran benefits and pensions, 1939-51.....	\$42,250,232,634
Veteran benefits and pensions, World War I to the year 1939.....	18,500,000,000
Contemplated expenditures, defense, etc., 1952.....	56,000,000,000

Total..... 646,866,484,807

¹Included payments totaling \$3,595,965,530 in direct pensions and \$3,731,464,320 paid on adjusted-service certificates.

Since the Eighty-second Congress convened in early January, 107 Members have introduced 286 separate bills and four joint House resolutions to amend, extend or enlarge veterans' benefits.

VETERANS' COSTS SOAR

If Congress continues its favorable action toward veterans in the next decade, veterans costs will soar into a formidable item of the budget. Even at the present rate of expenditure—without new legislation and new veterans—veterans costs will reach \$200,000,000,000 in the next 37 to 45 years.

If new defense veterans and veterans of a third world war are added, the costs will

greatly exceed the contemplated 200 billions. The 200 billion estimate is based on the assumption that only half of the 12,364,000 persons mobilized for World War II will ever get full benefits voted.

The contemplated expenditure of \$56,000,000 on defense against communism by the United States is seven times greater than contemplated expenditures of the nine European pact allies.

EUROPEAN BUDGETS CITED

Representative PHILLIPS, Republican, of California, during the week offered Congress the most accurate figures that can be found on military budgets and spending of the Atlantic Pact powers for comparison with American expenditures.

The following table gives the total 1951 budget and military spending and the military budget for the current fiscal year by nation:

[In millions of dollars]

Country	Budget	1951 military budget	Current military budget
Belgium and Luxembourg.....	1,871	320	289
Denmark.....	351	46	85
France.....	7,523	1,704	2,450
Italy.....	2,410	500	915
Netherlands.....	1,512	237	392
Norway.....	347	51	91
Portugal.....	180	45	57
Great Britain.....	11,000	2,670	3,640
Total.....	25,194	5,573	7,819

The United States is proposing to spend more than \$8,000,000,000 on European aid. This is more than the budgets of the nations receiving the aid provide.

The nine allies have a total population of about 175,000,000. The population of the United States, which is planning to spend more than fifty-six billions on defense against communism, is 154,000,000.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia, Mr. HEDRICK, be excused as a conferee on the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes, that a substitute be named in his place and that the Senate be notified thereof.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none and appoints the gentleman from New York, Mr. ROONEY. The Senate will be notified of the resignation and the appointment.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3880) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 39, 45, 60, 86, 88, and 113 to the above-entitled bill: Be it further

Resolved, That the Senate recedes from its amendment No. 108 to the above-entitled bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 349) entitled "An act to assist the provision of housing and community facilities and services required in connection with the national defense"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. FREAR, Mr. DOUGLAS, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES to be the conferees on the part of the Senate.

MUTUAL SECURITY ACT OF 1951

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 5113, the Mutual Security Act of 1951, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RICHARDS. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, the bill before the House for consideration today is entitled "the Mutual Security Act of 1951." It is variously known as the foreign-aid program, the mutual security program, and other names that mean the same thing. This bill does deal with foreign aid; it does deal with mutual security; more importantly, at this stage in world affairs, these ideas are mutually complementary in the policy of the United States.

I realize, Mr. Chairman, that the membership of the House has for some time been anxious to consider this bill. The summer is going on, the world situation continues to be somewhat tense, and the Nation's business awaits our action.

I want to assure the House—and the public at large—that no criticism is warranted on any ground that the membership has been unwilling to take up this bill. On the contrary, this bill is here today as soon as possible after Committee consideration was completed only a few days ago.

At the same time, I want to assure the membership that since mid-June when the program was presented to the Congress the Committee on Foreign Affairs has been working day and night—literally—examining all the many complex aspects that are involved. Neither do

I mean to infer that the executive branch has been dilatory in developing this program. I think the House should be fully aware of the time it takes to pull together a program like this. It involves a mass of military, economic, and political information that must come from other countries. All this must be evaluated at many levels of government before estimates can be prepared. The estimates themselves must be carefully weighed against considerations in the United States.

The House could have had this legislation sooner; and so could have the Committee on Foreign Affairs. But I am sure that the House concurs in the Committee's judgment that it was pointless to devote time to the consideration of a program until it could be presented in a manner that could be fully justified.

I can assure you that the Committee on Foreign Affairs has given this program the closest scrutiny. It was my pleasure to head a group of 18 Members of the House representing the Committees on Foreign Affairs, Armed Services, and Appropriations, which went to Europe and worked hard for 10 days interviewing our officials and our military leaders to get first-hand information before this program was considered in committee. When our study mission returned, the Committee on Foreign Affairs began its hearings. The hearings on this bill took 31 days. During this time the committee held 60 sessions—21 in open session and 39 in executive session—and heard a total of 67 witnesses from public and private life. The committee record covers about 1,600 pages of printed hearings; and there is still more in the executive session record that must remain closed for security reasons. When the hearings were completed, the committee spent 9 days—including night sessions—in writing the bill now before the House.

I say all this not by way of trying to show the House that we work longer and harder than any other group. Quite the contrary; I merely want the House to understand that the Committee on Foreign Affairs has been doing the job the House has a right to expect of it. The bill before you today has been fully and carefully considered.

It is also a committee bill in the true sense. Members of both parties gave freely of their time and energy; argument was sincere and without rancor; every member of the committee was fully conscious of his public responsibility and the interests of his country. This is a committee bill; it is a bipartisan bill. I urge the House to consider it in that light.

I know that Members of the House have many questions to raise and many considerations to weigh in their own minds when they vote on this bill. However, I think we can look at this bill in terms of three main questions:

First. What is the rule of foreign aid relative to the security of the United States?

Second. Is the money authorized in this bill necessary?

Third. Is the existing organization adequate to the task of conducting a mutual security program, and if not, does the organization plan in this bill provide the answer?

I propose to give the House my thoughts on each of these important questions.

At the outset, let me state one fundamental premise: In the world today, the security of the United States is part and parcel of international peace and security. The time has long since passed when the United States can rest its security around and within its own borders. This is not a theory; it is a fact of the age in which we live. We took a long time to learn the lesson; and some Americans have not learned it yet—in spite of the blood and treasure we spent in the late war.

Preserving our own security means preserving the security of the free world. We accepted this principle in the 1930's; we endorsed it when the Eightieth Congress enacted into law the European recovery program. We have continued to recognize the fundamental truth in this doctrine every time we cast a vote for larger military appropriations—to build a force that can serve our global military objectives. We are full parties in the North Atlantic Treaty—a treaty where we openly and fully agreed that an armed attack on one is an armed attack on all, and that we would take measures to build up individual and collective self-defense. As a part of that commitment we have helped create a European defense force, which General Eisenhower commands. Our military objectives and requirements take these commitments into account. Clearly and obviously, these commitments are part of the defense of the United States, and they must be honored as such, whether the money to meet them comes in a military appropriation or in foreign assistance legislation.

I cannot speak too highly in praise of General Eisenhower for the accomplishments which have been achieved under his leadership at SHAPE. In the comparatively short time he has been in command outstanding progress has been made in the organization and development of a European defense structure. As a result, there has been a notable revival and upsurge of morale among the people of Western Europe. This has been possible largely because of his great ability and the unprecedented degree of respect and confidence which he has inspired among our allies.

No one here questions the openly aggressive design of Soviet imperialism. We know full well that unless the free world can overpower the masters of the Kremlin with the mass of its strength—in weapons, in morale, and in the vigor of its productive economic institutions—we stand like a shorn Samson, unable to resist effectively the forces against us. It is a dangerous fallacy to assume that our task is completed when we attempt to meet our strictly military commitments. Military security objectives go hand in hand with the political and economic objectives of our policy. Serving

one and neglecting the others only prejudice the one.

The foreign assistance program in this bill is an integral part of our security objectives. We seek to strengthen our own security by arming our friends in a common defense effort. We also seek by economic and technical help to strengthen the economies of friendly nations. In doing this we enable them to help in the task of arming themselves, and we help to blunt the sharp sword of Communist subversion that so completely and successfully destroys the weak.

Mr. Chairman, the foreign assistance program in this bill is one of the tools we must use to build security. It is as important a tool as the military forces of the United States, and we cannot assure our security by using only one of these tools. Both serve to defend the United States, each in its own way. The program in this bill and the funds authorized in it are an integral, important, and necessary part of the over-all expenditures for the defense of the United States.

It is my contention that the over-all figure authorized in this bill, \$7,848,750,000, is part of our over-all defense program and is just as essential to the defense of the United States as the \$56,000,000,000 defense appropriation bill, and the \$5,700,000,000 air base bill recently passed by the House.

Members may well ask, "When is this going to stop? We have spent billions in one program after another, and each time we are told 'this will solve the problem' but it never does." I appreciate the force of this question. I appreciate the sincere concern of those who ask it because they are concerned with the welfare of their country and with its financial solvency.

My answer to that question is—we can stop spending money for foreign aid—for mutual defense—when our foreign allies are equipped to carry their share of the load. We hope and believe this will be soon.

The aim of this program is to help us reach the point where we can do with less because the threat of war—and the astronomical expenditures that go with it—will be less.

Only last week, when the \$56,000,000,000 defense bill was before the House, it was stated that the bill should be passed because war with Russia is inevitable and time is short. May I say that I do not concur in that opinion. In my thinking, the mutual security program is not offered here because war is inevitable. It is offered because I believe that with our own defense program and the program of help we are giving to other free nations to defend themselves, we will erect a common defense so strong that Russia will not dare to attack. The defensive strength is not to fight a war; it is to prevent a war.

Before the House approves this program, it has a proper right to ask what has happened to the dollars we have already spent on security for the free world

since the end of the war and whether those dollars have returned full value to us.

Here are the figures of appropriations through fiscal year 1951 for the principal programs:

Greek-Turkish Aid Act (act of May 22, 1947)	\$625,000,000
Economic Cooperation Act	12,545,547,328
Mutual Defense Assistance Act (includes military aid for Greece and Turkey in fiscal years 1950 and 1951) ..	6,581,510,000
Act for international development	34,500,000
Total	19,786,557,328

Let us examine these for a moment. We cannot calculate the return in dollar terms; lives, morale, and the intangibles of freedom are not measurable in dollars. Does anyone doubt where Greece and Turkey would be today without this aid? With our help, the Soviet Union has been prevented, first, from gaining an opening in the Mediterranean, one of the strategic anchors for Western Europe; second, from obtaining a free passage through the Middle East to Asia and Africa; and third, from gaining control of a vital oil supply. Who will deny that this expenditure defended the security of the United States?

Would there be a free Europe today without the European recovery program? Communism was on the march in Western Europe in the immediate postwar years; and there was a serious question as to who would control the vast economic potential of that area. No responsible person I ever heard would deny that without our aid then Europe would be Communist controlled now. What would this have meant? With Western Europe on our side, the free world has a material productive advantage over the Communist nations, but if Western Europe had been lost to us, this advantage would now be greatly reduced and in some cases overcome. Without Western Europe's productive capacity, our advantage over the Communist nations would be reduced, generally, in coal from 3 to 1, which it is now, to three-fourths to 1; in steel from 5 to 1, as now, to 1½ to 1; and in power from 6 to 1, our present advantage, to 1½ to 1. And if Western Europe were lost, we could not hope to hold the Middle East; the Communists would then control half of the world's oil reserves. In addition, 174,713,000 people—the population of the western European countries—would be under the iron heel of Soviet tyranny.

Perhaps Europe would not have fallen but we could not afford to gamble with stakes that high. With the Berlin blockade behind us, and our present knowledge of Soviet intentions, who would deny that the free Europe we have as an ally today was not worth the money we spent?

We began the mutual defense assistance program in 1949, amid many doubts about its value. Where would we be today if we had not taken this bold action 2 years ago? Could we overcome

our disadvantage starting from scratch now?

The point 4 program was ridiculed last year as a boondoggle and a waste of money. Has anyone stopped to count the dividends—even in this short time—and the possibilities in terms of discovery of new sources of strategic materials, or of the effect at the grass-roots level—where it really counts in the war against communism—on the morale of thousands of people?

We are gaining ground; we are defending our security on all fronts. Who will deny that the results are worth the expenditure in 4 years of a sum that is only about one-third of our military budget this year?

As the guardian of the taxpayer's dollar, the House can well ask the second of the main questions: "Is the money authorized in this bill necessary?" Let me say right here: If I thought that all the money authorized in this bill was not necessary I would not be here asking the House to vote it. And if I had merely endorsed the Executive request, I could not conscientiously tell the House that there was no room for reduction. My reasons for urging the House to vote the amounts in this bill are these: First, a cut has already been made after careful consideration by myself and by the Committee on Foreign Affairs; second, the amounts in this bill represent, in my best judgment, the minimum amounts necessary to carry on the program; and third, making further cuts runs the risk of denying us the vital objectives we seek to attain by this program.

When the President sent his budget message to Congress on January 15, 1951, he stated that he would later recommend a mutual security program for the fiscal year 1952 to cost \$9,700,000,000. On May 24, 1951, after further screening, he transmitted a message to Congress recommending the enactment of a mutual-security program with an authorization of \$8,500,000,000. The recommendation in May 1951, was \$1,200,000,000 or about 12.37 percent less than the original estimate.

The committee heard the executive branch urge in great detail the approval of the \$8,500,000,000 request. When the hearings were completed, and before any bill was introduced, I considered the matter carefully and consulted with the professional staff of the committee to determine whether reductions could be made without injury. As a result of our studies, I introduced H. R. 5020, a bill which reduced the Executive proposal by \$700,000,000 or about 8.24 percent leaving a total of \$7,800,000,000.

The committee considered H. R. 5020 with the greatest care and made a few changes in the amounts. The amounts in the bill before you total \$7,848,750,000. This is \$651,250,000 or 7.66 percent less than the original request. If we look back at the amount the President estimated in January 1951—\$9,700,000,000—and compare it with the figures in the committee bill, we find a total reduction

in the original estimate of \$1,851,250,000 or 19.08 percent.

Let us examine the reductions made by the committee. Here are the figures:

Amounts authorized by this bill by area with a comparison of amounts requested¹

Item	Requested	Recommended change	Amount authorized
Title I (Europe):			
Military assistance.....	\$5,293,000,000	—\$265,000,000	\$5,028,000,000
Economic assistance.....	1,675,000,000	—340,000,000	1,335,000,000
Total.....	6,968,000,000	—605,000,000	6,363,000,000
Title II (Near East and Africa):			
Military assistance.....	415,000,000		415,000,000
Economic assistance.....	125,000,000	+50,000,000	175,000,000
Total.....	540,000,000	+50,000,000	590,000,000
Title III (Asia and Africa):			
Military assistance.....	555,000,000	—25,000,000	530,000,000
Economic assistance (excluding Korea).....	262,500,000	—25,000,000	237,500,000
Assistance for Korea.....	112,500,000	—101,250,000	11,250,000
Total.....	930,000,000	—151,250,000	778,750,000
Title IV (American Republics):			
Military assistance.....	40,000,000		40,000,000
Economic assistance.....	22,000,000		22,000,000
Total.....	62,000,000		62,000,000
Title VI (general): Strategic materials			
		+55,000,000	\$55,000,000
Grand total	8,500,000,000	—651,250,000	7,848,750,000

¹ \$55,000,000 has been transferred from title I, economic assistance for strategic materials.

Let us look at the figures in more detail. The changes made in the authorizations can be explained very briefly. In title I—Europe, the net reduction was \$550,000,000, or 7.9 percent. The difference between \$550,000,000 and the total reduction of \$605,000,000 in title I is \$55,000,000. This amount is an authorization for strategic materials development in all areas and is added in title VI of the bill. In other words, of the \$605,000,000 total reduction made in the Executive request for title I, \$550,000,000 is a cut and \$55,000,000 represents a shift out of title I to title VI. This has not been done to deceive the House in any way, shape, or form; which would have been the case had this amount been left in title I.

The reductions in title I consist of \$265,000,000 or 5.38 percent of the military funds; and \$285,000,000, or 17.01 percent of the economic assistance funds.

We will hear more later about the division between "economic assistance for defense" and "straight ERP" economic assistance. Such a division can be made, but it is arbitrary and unrealistic. I will have more to say on that matter later. However, if we assume this division for the moment, the cuts made by the committee in economic assistance in title I are even more revealing. Dividing this part of the original request on this basis, and the \$285,000,000 cut on the same basis, the 17 percent cut made in economic assistance would represent a cut of \$150,000,000 or about 14.96 percent in economic assistance for defense and a cut of \$135,000,000 or 20.08 percent in straight ERP economic assistance.

What I want to impress on the House is that the cuts in title I—a most critical area of the world—are substantial from whatever point they are viewed. These reductions represent a judgment on what can be taken out and still have the program succeed.

In title II, Near East and Africa, no reductions were made. The committee increased the figure of \$125,000,000 for economic assistance by \$50,000,000 to a

total of \$175,000,000. The \$50,000,000 increase was for relief and resettlement of refugees coming into Israel.

In title III, Asia and the Pacific, the committee made an over-all reduction of \$151,250,000, or 16.25 percent in the original \$930,000,000 requested. This represents a reduction of \$25,000,000, or 4.5 percent in military assistance, for which \$555,000,000 was originally requested; and a total reduction of 33.66 percent in economic assistance, for which \$375,000,000 was originally requested.

The economic assistance funds in this title were not cut across the board. There are two amounts to consider here: Economic assistance funds for certain countries in this area, but not Korea; and funds for a contribution to the United Nations Agency that will conduct Korean rehabilitation operations. The reduction in economic assistance for countries other than Korea was \$25,000,000, or 9.52 percent of the \$262,500,000 requested. The reduction in the Korean authorization was \$101,250,000, or about 90 percent of the \$112,500,000 requested.

I want to add a word on the reduction in the Korean authorization—the largest reduction we made. The reduction was made not because we believe Korea is lost, or because we are ready to have the United States wash its hands of the rehabilitation problem. On the contrary, the committee is fully aware of the magnitude of the task; it is fully aware that we have a share of the free world's responsibility to rehabilitate Korea. The committee is authorizing only 10 percent of the original request as a down payment at this time. We do not believe that the full amount requested is needed at this time. When the time comes, I am sure the House will take action suitable to the circumstances.

There are no reductions in title IV, the American Republics. The relatively small amount of money in this title was fully justified before the committee.

On an over-all basis, the reductions made in the bill represent a reduction

over the original estimate of \$290,000,000, or 4.6 percent in total military assistance, and \$361,250,000 or 16.43 percent in total economic assistance.

We have tried to save money in this program; we have cut off from the lowest figure given us by the executive department all we thought we could cut off. From the standpoint of the United States, this cut was just as drastic as would have been the case had we cut \$5,000,000,000 from the defense and air base bill recently passed by Congress. One, in my opinion, is just as important as the other. The difference is that when anything comes up before Congress for the defense of the United States, we ask no questions. We are afraid we might make some mistake. To be sure we provide enough for the defense of our own boys in the service, we do not question the figure presented to us by the Department of Defense. We made no cuts in the military bills. The Committee on Foreign Affairs has cut the mutual security program on an intelligent basis.

Can further cuts be made in this program? My reply for two reasons is "No." The first is a personal one. If I had felt that further reductions were in order, I would have recommended them. The more important reason, however, is that I believe that further reductions will hamper the program.

Let us look through the program. The authorizations in the bill as it stands now provide for \$6,013,000,000 of military assistance, or 76.61 percent of the total funds in the bill. Of the \$6,013,000,000 for military assistance, about 91 percent of this, figured roughly, is for end-items—the actual fighting tools needed to equip forces. Seven and thirty-five hundredths percent is accessorial charges—the cost of getting the end-items where they will be used. This means that 98.35 percent of the military assistance funds will be used to purchase hardware and get it to its destination. Training in how to handle the hardware takes up another 0.63 percent and the remaining 0.88 percent is for administration.

We will be told that this can be reduced because \$4,782,300,000 of funds already appropriated is still unexpended. I do not deny this. But let me remind the House that military equipment is not built in a day—it takes time to plan, design, and produce. And funds were required before this could be done. The \$4,782,300,000 represents equipment in the pipeline.

We will be told that there are funds still unobligated. That is true, too. But let us remember that the estimates we are working on have taken account of those funds.

What we are dealing with here is a problem of delayed impact. If we cut further now, it may not necessarily mean fewer guns to our friends in the next few months. But it will mean that our build-up is slower; the target dates of our military plans pushed back further. All of these points apply with equal force to our own defense budget. We can only spend about \$40,000,000,000 this year, and some of that is money we appropriated last year. But we voted

about \$60,000,000 a few days ago—with-out reductions. Why should we think that on the same considerations overseas defense is less in need of money than our forces at home?

There are many who are quite willing to vote military funds without change, but who with a clear conscience will vote to reduce the amounts for economic assistance in this bill on the theory that economic assistance is not as necessary as military assistance. This reasoning, too, is based on fallacies. One of the fallacies is that cutting further economic aid to Europe does not injure the military program; and that Marshall plan funds can be cut because ERP is in its last year and we should not assist any further in this respect. Another fallacy is that outside Europe, economic assistance is unnecessary and wasteful. In the principal countries of Europe, economic assistance has been programed as a part of the rearmament effort. This is the important point.

The task we have ahead of us—the Europeans and ourselves—is to produce as much military equipment as we can as soon as we can. Production requires plants, raw materials, tools, transportation, power, and a host of other essentials. It requires larger defense budgets, which leaves a corresponding lack of budget expenditure for other goods and services.

What we are dealing with here are the productive resources of the free world. We know from our own experience in the last war that while guns were vital, all the people, plants, and facilities from farm to front were equally vital. Production for defense requires them all. Does anyone doubt that electric power was vital to the end result that produced an atom bomb? Does anyone doubt that a lack of freight cars could lose a battle? Let us remember that old homily of Poor Richard:

For want of a nail, the shoe was lost;
for want of a shoe the horse was lost; and
for want of a horse the battle was lost.

Under our urging, all of the European NATO countries have increased their defense budgets to the limits they can sustain. Even so, help is needed to keep the build-up going.

If we had all the time we needed, we might let Europe set its own speed. But there is an urgency about our security, one we cannot ignore.

If we reduce economic aid on the theory that it can stand it when military funds should not be touched, what do we gain? Nothing.

If for lack of economic support Europe cannot keep up its defense production and increase it there are only two choices; either we lengthen the time when we will have a minimum security—and thus further jeopardize that security—or in order to meet time limits we have set, we must produce—send more of our own arms abroad. If we choose this alternative, we make the worst possible choice. Europe can produce some military equipment cheaper than we can. Why should we not do all we can to assist her in this effort? If we do not, we simply push our own costs up higher. There is another important reason why it is in

our interest to assist in building up European production. What we are aiming at is a build-up to a point where Europe can sustain a high level of defense production, at which point our aid can taper off sharply. If we do little to accomplish this task, we simply put the burden on ourselves. We will necessarily have to continue supplying military equipment at high cost if we want, as we do, to have a military force in being in the shortest possible time.

There are those who feel that economic aid is no longer necessary, because the Marshall plan is coming to an end. Still others feel that because it is tapering off, the European recovery program should be ended now, or at least drastically reduced.

During our hearings, we were told that if the rearmament program was not upon us, the request for economic assistance to Europe would only have totaled \$672,000,000. Some feel that, therefore, a division can be made between economic aid and old-type ERP aid. I submit that any such distinction is purely artificial. It is true that this figure includes some countries not now able to contribute to the rearmament effort. Some of these border on the iron curtain. They have not changed their location since 1948. The same strategic considerations that caused us to support them then are controlling now.

For the others, the distinction between ERP and aid for defense is artificial. All the productive resources of a country must contribute to its national strength, which is what we are building. To make the distinction is to say to one's self "The head is the only important part of the body; cut off the middle." It does not make sense; neither does it make sense to dissect the total aid that is going to assist a total economic organism.

To those who are concerned that continuing economic assistance to Europe gives ECA a new lease on life, let me say that this bill abolishes ECA as an agency and terminates assistance under the Economic Cooperation Act on June 30, 1952, the date put into the law in 1948. The President recommended that ECA be continued indefinitely. We of the Foreign Affairs Committee feel that we should honor our pledge to Congress and the people. It will be up to the President to make recommendations before next June 30 on the kind of law needed to fulfill our security objectives so far as economic assistance is concerned.

This bill contains funds for economic assistance outside Europe. This consists of funds for economic development and technical assistance in the Near East and Africa, in Asia, and the Pacific, and in Latin America. This is not aid for military production, but it is just as important. These countries, particularly in the Near East, Africa, Asia, and the Pacific area are right at the edge of the iron curtain. They are high on the Communist list as hunting ground for subversion. Our assistance as designed to improve them at the grass roots level; to teach them how to use the tools that can give their existence a hope. In short, it is assistance to prevent Communist aggression just as surely as arms will prevent it in Europe. In Latin America,

our assistance is paying off in more raw materials, and the things that are vital to us.

There is an additional reason why the funds in this bill represent a minimum program. A provision in the bill requires that of assistance furnished under the ECA Act, 20 percent must be on credit. This is a good provision; it is time our aid comes back to us. In round figures the amount of repayable aid will be about \$320,000,000. This certainly means that of assistance given on credit in Europe, these countries will be carrying heavy defense budgets and borrowing to help get the job done. I believe they can do it; but if we reduce the assistance further, we put an extremely heavy burden on them at a time when they are straining the most.

All of these programs—military and economic—are tied together. All are important to what we are doing in the world. I believe that the funds in this bill represent the minimum necessary for our ends.

Let me outline briefly to the House what this bill contains in fund authorizations:

A. Military assistance	\$6,013,000,000
(a) End items	5,480,000,000
(b) Other military cases	533,000,000
B. Economic assistance	1,835,750,000
Point 4 program	85,256,000
ECA aid in Europe	1,287,000,000
ECA technical assistance in Europe	20,000,000
ECA aid in underdeveloped areas	255,496,000
Strategic materials development	55,000,000
Other expenses	21,758,000
Refugee programs	100,000,000
Rehabilitation of Korea	11,250,000
2. Shown by title in the bill the figures look like this:	
A. Title I—Europe:	
Military	5,028,000,000
Economic	1,335,000,000
ECA aid in Europe	1,287,000,000
Technical assistance in Europe	20,000,000
Other expenses	28,000,000
B. Title II—Near East and Africa:	
Military	415,000,000
Economic	175,000,000
ECA aid	23,450,000
Point 4 program	51,550,000
Refugee assistance	100,000,000
C. Title III—Asia and Pacific:	
Military	530,000,000
Economic	248,750,000
ECA aid	232,136,000
Point 4 program	5,364,000
Korean rehabilitation	11,250,000
D. Title IV—American Republics:	
Military	40,000,000
Economic—Point 4 program	22,000,000

It is obvious that in a world-wide program such as this, flexibility is needed. We must be able, within limits, to bring assistance to bear in any crisis that merits its use. Accordingly, the bill gives the President the power to transfer funds. In title I—Europe, the President may use up to 5 percent of the funds for military or economic assistance interchangeably. This is a special provision, for here the objective is clear—produce all the arms that can be produced. Elsewhere there is power to transfer up to 10 percent of the military funds or economic funds to different areas, but not to interchange these funds.

The third important question in this bill is whether the existing organization for conducting this program is adequate to the task, and if not, does the organization in this bill provide it?

I have given careful thought to this question, and so has the committee. Our conclusion was that the present organization is too scattered to do an effective job. The existing organization is a makeshift, based on the organization provided for three different programs at three different times. If our present program is to be effective, a new organization is needed.

The organization plan in the bill was drafted by the committee. We had the benefit of suggestions from the outside, but our working plan was developed before any of the other various plans was presented to us. The organization in the bill can be explained briefly. There is to be a single agency for the aid programs in this bill, headed by a Mutual Security Administrator, comparable in rank and salary to the head of an executive department. This Administrator will be appointed by the President and confirmed by the Senate. He will have a deputy appointed in the same manner, who will have the rank and salary of an Under Secretary.

The Mutual Security Administrator will administer the functions now being performed by ECA, the point 4 program, and certain of the functions of the mutual defense assistance program. The President retains certain essential powers given to him in the acts governing these programs.

Policy will be determined by the Administrator, but the Secretaries of State and Defense have full rights of consultation on matters that affect their responsibilities. If agreement cannot be reached, there is a direct route to the President who will make the decision.

Overseas, there will be a Mutual Security representative in Europe—a "theater commander"—who will direct the program in the area. Special missions are provided for each country where they are needed. By this means, planning can take place at the source, and programs can be developed for final decision. Operations can proceed, all the way down the line from Washington on an efficiency basis.

The organization plan in this bill does not blanket in the present employees of all the agencies now working in these programs. By an arrangement, in the bill the Administrator and the Bureau of the Budget have a check on each other,

a check designed to make sure that the Administrator will get only the right number, and the right kind of competent help he will need. This new organization will take over its duties 60 days after the act goes into effect, or sooner if possible. I believe that the single agency, as proposed in this bill, can do a better job than we are now doing with the present organization. The job to be done requires the best structure we can provide.

The new organization provided in this bill is not a slap at anybody. It is simply the product of the collective thinking of the members of the Foreign Affairs Committee that the job we should do abroad in our over-all defense program is one that can best be done by concentrating the power of distribution and control of military aid, economic aid, and point 4 under one head. The responsibility to the President, to the Congress, and to the people of the United States would be his. It is my belief that a central agency can best do the job, that it can save money for the United States and that fixed responsibility and power will expedite what we are attempting here to do.

Ladies and gentlemen of the House, the bill before you today deserves your most thoughtful consideration. You are legislating for the defense and security of the United States. You are being asked to vote a program that is necessary to the preservation of the interests of the United States. No matter how much we may dislike it, we are living in a world that offers us no choice but to build our security on a world-wide basis. As Americans, we may feel that expenditures abroad yield little return to us. But if we think of foreign expenditures as a means of accomplishing our objectives, I am sure you will agree that it is cheaper than lives. We are already measuring in blood the cost of being a great nation. This program is an additional drain on our resources; that no man will deny. But can we hope to live in peace until we provide the means to insure that peace? In the past we have found that peace without strength is a false peace. We need to build our strength—as fast as we can—and this strength is the strength of ourselves and our friends in the free world. We do not control the timetable; for us the time and the task is urgent. Let us not lose sight of this fundamental fact. In the years to come there will not be a chance to say "We made a mistake; let us change our minds." We must make the right judgment now—so there will be no mistake.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MILLER of Nebraska. Regarding the Secretary of State, I think provision for someone to handle this great spending is in order. But I notice on page 29, section 513, you put all of it back in. You say that nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State. All of the spending of these agencies will be under the Secre-

tary of State. First, you took away the power, then you gave it back.

Mr. RICHARDS. Mr. Chairman, I decline to yield further. I yielded to the gentleman to ask a question. I will answer his question in due time. I do not want to take up valuable time others may desire to use.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. Are not their arsenals capable of being renovated so as to produce weapons?

Mr. RICHARDS. The gentleman is correct.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield at that point?

Mr. RICHARDS. I yield for a question.

Mr. MILLER of Nebraska. Does the gentleman know that the metropolitan papers carried a complete outline of all the foreign air bases a few weeks ago?

Mr. RICHARDS. No, they did not carry a full and complete outline. I do not mean to infer that the newspapers are intentionally inaccurate but sometimes the facts, as they report them, are wrong. The other day, while the mutual security bill was still in committee, one of the metropolitan papers said that the funds in the bill had been cut \$1,000,000,000. As the House can see, that was wrong.

Mr. MILLER of Nebraska. I am referring to our air base locations. They were all printed in the paper.

Mr. RICHARDS. I think if the gentleman will look at the list to which he refers, he will find a long list of air base locations—in the United States; I do not think he will find any mention of bases in any foreign countries.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. JOHNSON. Last summer I was over there for our committee studying the military assistance program. The very fact that those little countries like Norway, Denmark, Holland, and so forth, know that we have entered into a solemn agreement to protect them in case of attack has given them the courage to spend their money for arms and to make themselves as strong as they can; and I want to say further that every one of those countries is spending as much on the defense of their countries in proportion to their national wealth as is the United States of America.

Mr. RICHARDS. There is no doubt about that at all.

Mr. JOHNSON. They are that much better prepared if trouble arises.

Mr. RICHARDS. It is hard to realize the great moral uplift it has given to them. Before the First World War and likewise before the Second World War our efforts were directed at avoiding involvement. Today the situation is different.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. KELLEY of Pennsylvania. One of the purposes of the Marshall Plan was

to stop the encroachment of communism, which was done to a great degree. I wish to ask the Chairman with reference to these eligibility rules the condition that prevails over there now as to inflation and low wages, which is used as propaganda by the Communists; is there anything in these eligibility rules that is to be construed that all those nations must do something about their economic situation?

Mr. RICHARDS. They are already exerting a strenuous effort. The living standards of the people have not been raised over-all. These countries are trying to improve wage and other conditions at home. In the requirements written in this bill we are trying to encourage our friends to improve those conditions wherever possible, consistent with the whole effort of the rearmament program.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I cannot yield.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. May I suggest to the gentleman that when he seeks recognition he address the Chair?

Mr. MILLER of Nebraska. I did, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. RICHARDS. Mr. Chairman, I yield myself seven additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. RICHARDS. Mr. Chairman, I have taken too much time already but I want to emphasize again the basis upon which this bill is presented. One of my very dear friends and an able Member of this Congress said when the \$56,000,000,000 bill was up for consideration: "Time is short; war is inevitable." I do not agree. I believe with General Eisenhower that if we can get one or two more years, the chance of war—started by the Communist countries—is very greatly reduced. But, remember, if we are not going to have war with Russia we must—and right now—continue to bolster the military and economic effort of friendly countries in other parts of the world. It will be the cheapest money we ever spent.

Let me repeat another point. About six-sevenths of this money is for military aid, most of it for end items. If any part of the funds in this bill is to be cut—and this is my solemn conviction—less harm will be done by simply taking the bull by the horns and cutting out the military aid.

But the House is not going to do that. The House knows full well that we need these people by our side; that there is no use of having raw troops marching about Europe without tanks, guns, and ammunition in support. The military forces must be real, effective fighting units. It is not the number but the quality that counts.

Mr. VORYS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, let us first remember what this is all about. It is about how to meet the grim and deadly world-wide threat of Godless, ruthless communism, and the reason I will not spend too much time discussing that threat today is because I believe you all understand that threat now, and the only question is how best to meet it.

Mr. Chairman, I am for this mutual security program for military, economic, and technical assistance to four regions in the world.

I was for ECA in 1948—temporary, emergency economic aid to those who help themselves, and each other, and us. I was sort of Republican House floor manager for the ERP. It has succeeded beyond our original hopes and promises in bringing about recovery in Europe. But times have changed—and so has ECA.

I was for military assistance to Europe before President Truman was. I tried to get it in the ERP bill in 1948, but could not get administration support for it.

I was for technical assistance—export of American "know-how," and helped write the technical aid provisions in the Smith-Mundt bill passed in the Eightieth Congress, long before President Truman made his point 4 speech in 1949.

I was for the package approach, bringing all our foreign-aid programs together, in 1948, when the administration and its columnists and commentators were against it, and said it was to delay and confuse, and the Eightieth Congress put through a package bill, including the Marshall plan, on time. The deadline was April 1, and the House passed it March 31.

PRESENTATION

When I was asked, over 7 months ago, about a package approach for foreign aid this year, I approved. Presentation was delayed, however, for nearly 6 months, and the hearings on this bill were the worst I have ever witnessed in 13 years in Congress, confused, poorly organized, not coordinated. It became evident that the lack of coherence in the presentation was symptomatic of the organizational confusion in foreign-aid planning and execution.

THE ADMINISTRATION PROPOSAL

The President and Secretary Acheson urged that this organizational monstrosity be continued.

First, ECA was to be made permanent.

Second, The head man over military and economic assistance was to be three layers down in the State Department, "exercising responsibility for the Government as a whole," to quote the Executive memorandum.

Third, technical aid, point 4, was to continue to be in the State Department, separate from ECA, which had its own technical-aid program.

COMMITTEE ACTION

What the committee did has already been sketched out for you. I want to pay my tribute to our chairman and our staff, who did a great job. Our new chairman is able, independent, fair, and

square, a very tactful but tough American. He is an extremely stubborn man. He is so stubborn he even claims at times that I am stubborn, just to show you what I mean.

Anyhow, under his leadership, and with the committee and staff working night and day, we drafted the committee bill. It is strictly home-made. It may have its faults, but it is an example of legislating by legislators instead of by experts from the departments. Far from "rubber-stamping" the administration proposals, we simply stamped on some of them. We weighed and considered all the suggestions that come to us from any source, but the final product is truly a committee bill.

Instead of the administration proposal, the committee bill provides:

First, ECA is to wind up June 30, 1952, as per schedule set by the Eightieth Congress.

Second, a new organization is created under a Mutual Security Administrator, with independent status, to be appointed by the President and confirmed by the Senate, along with his deputy. Some people say this amounts to creating a second Secretary of State, but they are wrong. We already have two Secretaries of State, two advisers on foreign affairs to the President, Secretary Acheson and Mr. Harriman, who has a growing office around him that numbers now about 19. So the new Administrator would at best or worst be only one of three. The administration feels that, for guidance on foreign affairs, two is company but three is a crowd. We did not follow this thinking.

I happen to look forward to the day when we will have all our nonmilitary foreign affairs concentrated in one foreign affairs department, whether it is called the State Department or not, instead of having 43 agencies involved in foreign affairs as we have at present, according to the Brookings Institution. But we can never do this under the State Department as presently constituted for two reasons: In the first place, they inherit the Hull tradition of not wanting to be an operating department. In the second place, the public does not want the present State Department to operate anything more.

In 1944 I offered an amendment putting the lend-lease administrator under the State Department. It was adopted by a teller vote. Secretary Hull's Assistant Secretary Acheson got busy and got the House to defeat the amendment on a roll call. I shall never vote again to put an operating agency under Mr. Acheson.

Third, we provided that, after his appointment, this new Administrator picks his own help. The present staff of these organizations cannot be blanketed in on him. We recognized that ECA has become just another agency, with the second team playing most of the positions. Practically no one except those connected with the present ECA and MDAP organizations praised their present administration. We did not want these 14,541 people forced on this new man. We even hope he can get along with less.

This personnel breakdown is as follows:

Agency	In United States	Overseas	Total
ECA.....	1,051	{ 11,264 2,011	4,326
MDAP.....	5,554	3,275	8,748
Point 4.....	619	3,194 848	1,407
Total.....	7,224	7,317	14,541

¹ United States.
² Alien.

In 1948 we authorized ECA to obtain a limited number of personnel exempt from civil service at salaries ranging up to \$15,000, because we felt they needed high-grade men in a hurry. In July 1948 these superdupers numbered 10; in December 1948 they numbered 18. In April 1951, with their big job in Europe almost finished, the number of superdupers was 43. It is our hope that the new Administrator may be able to do the job with a few less than that.

Fourth, we provided that point 4 is to go out of the State Department and into the new organization. We hope this will avoid rivalry, duplication, and confusion between our various technical assistance programs.

Fifth, we provided that the mutual security program must be reviewed, both for authorization and appropriation, every year, and the whole thing terminates in 3 years, June 30, 1954.

We cut the amount \$651,250,000. We provided, by adopting three amendments I offered, that not less than 20 percent of economic aid, or about \$320,000,000 must be in loans, pay-back money, and not less than \$500,000,000 in counterpart funds from economic aid must be used exclusively for military production, and earmarked \$55,000,000, taking it out of title I to promote production over the world of strategic materials in which the United States is deficient. These three limitations on grant aid, or give-away money, amount to \$875,000,000.

Of course, we may still spend this amount, but the United States will be getting a very definite return in repayment or security. If we add to this the \$651,250,000 cut, the reduction in authorization of the kind of spending that was proposed would amount to \$1,526,250,000.

THE RIGHT AMOUNT?

That leaves \$6,322,500,000 authorized on the basis originally requested. Is that the right amount? I am not sure. I have told you what I thought of the hearings. As our committee report says on page 15, the country-by-country testimony was unsatisfactory, fragmentary, and secret. The whole basis for economic aid was on guess-estimates based on projected balances of payments, and we were given secret tables where we were informed plus means minus and minus means plus. You will find an explanation of these secret tables in the hearings. We never received, as in former years, a statement of what each country needed from the dollar area or what the ECA intended to do with the money. On their over-all nonsecret

figures, there were discrepancies. For instance, Mr. Richard M. Bissell, Jr., Deputy Administrator of ECA, in his estimate of increased dollar imports needed for Europe this year—a most important item—made three mistakes and finally wound up by saying “\$500,000,000 was a mistaken figure.” Look at the hearings on page 1267 and see what he really meant. I have not yet been able to find out.

In our committee report on page 15, there are estimates of eight to nine billion in proposed NATO defense budgets for the fiscal year 1952. What we did was simply to combine two separate estimates which we received, which were nearly \$1,000,000,000 apart.

General Scott, Director of the Office of Military Assistance in the Defense Department, could not bring himself around to answer what “excess” equipment the armed services expected to have on hand. Although he was asking authority to dispose of an additional \$450,000,000 of it—hearings, page 711. The answer was sent up 4 days later—hearings, page 702. General Scott gave us figures on shipments of military materials which were different from any we had received. We wanted to know how much stuff had gotten over there because the European nations have, perhaps justly, been discouraged because they hear of the vast appropriations by Congress, and do not see the stuff being shipped into Europe.

Only \$833,733,742 had been paid out of the Treasury for military aid up to June 30, 1951, out of \$5,794,300,000 appropriated for the purpose by Congress. We wanted to find out how much had been shipped. General Scott gave us figures that varied from what we had heard. Mr. O'Hara, Budget Officer of Foreign Programs, from the Defense Department, in order to straighten this out, said on July 20 that the amount of shipments for June was \$400,000,000—hearings, page 724. We found later that the correct figure was \$108,400,000. Here was a misguess of \$291,000,000 in 1 month's shipment. Time and again it was obvious that the witnesses either did not know or would not tell about their program. Although there were usually 12 to 20 departmental people in the hearing room, Army, Navy, Air Force, State Department, ECA, and so forth, we often could not get answers to simple, fundamental questions from anyone present. I, therefore, cannot defend all the details of this program. I do not think the committee amounts in the bill are sacred. On the other hand, I doubt whether anyone outside the committee here on the floor knows as much about the program as we do. I have noticed that it is always easier to cut a program you know nothing about. I think that we ought to go cautiously about cutting limitations in this authorization bill, and leave the Appropriations Committee a little work to do, when the program comes before them.

I do know this, however. Military assistance to those who will fight on our side in this struggle with communism is sound economy. In our big \$56,000,000,000 appropriation of last week, we had \$20,000,000,000 for the Army. We

have a ground force of 1,500,000 men. The \$7,800,000,000 program proposed in this bill together with what other nations will do for themselves will put 3,000,000 equipped men in the field. That means for about \$20,000,000,000 in round figures, we will get 1,500,000 American ground forces ready to fight, and for \$7,800,000,000 we will have 3,000,000 men of other nations overseas ready to fight for their country in our common struggle against the common foe.

Mr. Chairman, for 2 years I have kept asking myself about NATO, have they got a plan? A practical plan for defense against Russian aggression now and later? After hearing General Gruenther and the others, I believe they have a plan that will work. Have these other nations the will to fight? I think so. I know that without arms and without a plan, they will not fight. When we give them arms and a plan, we help to create the will to fight.

I know that economic aid for military production abroad is economy for us, compared to producing it all here and sending it over. If the French can make a bazooka out of \$15 worth of materials and it costs us \$75 to make one, we had better help them make bazookas for themselves.

I know that technical aid, if wisely planned, is action for making friends for America that is more effective than words about America over the radio or in print, and it is no more costly than the Voice of America program.

A lot of Members have been planning all year to balance their own voting budgets by voting against foreign aid. This may prove embarrassing. I remember a reversal of votes on military aid right after Korea. If an attack somewhere else occurs during the present year, another reversal of votes may be hard to explain. We need a foreign-aid program of the proper size to be effective. We cannot rely on other countries to fight communism without our help, and no one of you should rely on other Members of Congress to vote the necessary help.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Mississippi.

Mr. COLMER. I wanted to ask the gentleman a question a moment ago to clear up a point, but I did not get a chance. The gentleman from Pennsylvania [Mr. KELLEY] asked the chairman if there was anything in this bill that would require those countries over there, in substance, to raise their standard of living, to pay increased wages, and so on. Is there anything in this bill that would permit directives to be issued or strings tied to this that would require the economy of those recipient countries to pay better wages and improve conditions?

Mr. VORYS. No. We are up against the proposition that we are dealing with independent sovereign nations, and we can suggest and push and coax, or make conditions on our aid, but there are a lot of things that we cannot require. That is the situation we are in.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, the blunt fact is that the United States no longer finds its own security within its own borders. This bill not only brings forcefully home to us that security is indivisible but that our responsibilities and problems as a Nation are here for a long stay. The strength and will of our allies and the aggressiveness of our foes are conditions that we must recognize. We must so act and conduct ourselves that all potential foes will realize that they cannot defeat us. This type of strength is the greatest deterrent to war. We should not underestimate ourselves nor allow the possible ending of the Korean conflict to lull us into slumberland about the prospects and needs of the immediate future.

We are dealing with a relentless and calculating foe, a foe which never lets up in the pursuit of its aims and which utilizes every fresh crisis as a screen to mask the next aggression.

When we headed off the Communist threat in Greece and Turkey and set in movement measures which ultimately became the North Atlantic Treaty organization, Russia, in order to prevent this consolidation, probed for new points of attack.

Only a short time ago American eyes were wholly fixed on Berlin where the magnificent airlift succeeded in breaking the Russian blockade of the German capital. Our concern over this impertinent misuse of Russian power blinded us to what was going on in China. When the Security Council finally settled the German crisis, we awoke to the fact that 400,000,000 Chinese were under Communist domination.

Since mid-1950 our country's attention has been focused upon Korea. The invasion of the southern portion of that peninsula by northern troops revealed our own plight. We found ourselves relatively defenseless and faced the urgent need of rearmament. With almost no hesitation, we sent armed forces to spearhead the United Nations forces to meet the unprecedented challenge. And what was Russia doing meanwhile? Using Chinese and other local armies, she absorbed Tibet, threatened Nepal, fanned rebellion in Burma, Siam, Malaya, Indonesia, and Indochina; while a Communist-led party in Iran threatens the whole Middle East.

Nor is this all. While Russia is our immediate enemy, the whole world balance is in a precarious state. The fact is that we are living, not in a moment of crisis, but in an age of crisis. During the last 50 year, there has hardly been a day without warfare—somewhere or other. Therefore we should adjust our minds to this and not regard the present situation as an interruption to our normal peaceful existence. We should live expecting crises, and be prepared to meet them.

We have a global problem on our hands. And it is heartening to know that—even belatedly—we are formulating a global policy to deal with it. Let

us count our successes where we can. The Kremlin has not entirely monopolized the initiative. Our own Congress has a considerable record of action behind it. A swift glance at all the steps we have already taken may embolden us to proceed even further.

Only 10 years ago the United States could be counted the world's hermit, many of us convinced that international affairs were none of our business. Today we have fashioned, or find ourselves parties to, nearly a dozen instruments of common defense.

First. We strengthened our relations with Canada and created the Organization of American States in our immediate hemisphere.

Second. We built the North Atlantic Treaty Organization. Greece, Turkey, West Germany, Yugoslavia, and Spain can be considered military associates.

Third. In the Far East we are preparing a pact with Japan.

Fourth. A watertight American-Philippine understanding.

Fifth. A unilateral promise to share the defense, along with Nationalist China, of the island of Formosa.

Sixth. Pacific security treaty with Australia and New Zealand, not yet signed or ratified.

Seventh. A sort of partnership in the United Nations guaranty to defend South Korea.

Eighth. In addition, the United States has approved the efforts of President Quirino, of the Philippines, to create an Asian defense pact with like-minded countries, such as Viet Nam, Siam, Burma, Free Malaya, India, Pakistan, and Indonesia, if they so choose.

Ninth. Furthermore, the United States is directly aiding the French Union—French and Viet Nameese together—to defend Indochina, is arming Siam, and would presumably assist the British in Malaya in case of outside attack.

This network of commitments and responsibilities has still not been entirely implemented. It is not yet militarily adequate. There remains plenty of work still to do, for it is more than ever evident that the U. S. S. R. can at any time or at any point around the globe launch an attack against some free country, either from within or from without, or from both. Most of us have come to know that danger to one is danger to all. Hence, there is urgent need for the present security bill.

Our Nation has to keep in mind always the peculiar position of the United States as the one great source of military, political, and economic strength for the entire free world.

Because of our geographical position and interests in both the Northern and Western Hemispheres and between the Atlantic and the Pacific, we must keep in balance our policies as to Europe, Asia, and the Americas. We cannot separate our world relations and responsibilities and treat them separately from one another. A commitment in one area must not be permitted to endanger our capacity to act in others.

We cannot unilaterally promise each nation and each segment of the globe that we will defend it without getting in

return its promise to help us when necessary. Since defense, moreover, is global in scale, we must have commitments from those with whom we are allied to help us in the other areas of the world.

The proposed bill is more truly reciprocal than many so-called reciprocal agreements. Section 508 of H. R. 5113 definitely sets out the conditions which we expect our allies to fulfill. These are not onerous. There is no reason why they should not be fulfilled in order to strengthen the security of the United States, the free world, and make possible the promotion and maintenance of world peace. Those countries receiving assistance in order to further military effort should have no objection to agreeing as follows:

First. Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

Second. Make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

Third. Adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

The same conditions should not be applied to those nations receiving only economic or technical assistance. However, I am sure that every such nation will not hesitate to assist in the security of the United States and the promotion of international understanding and good will, the maintenance of world peace, and eliminating causes of international tension.

This aid is not a gratuity. We should never forget how much we stand to benefit by it. We are not playing Santa Claus, or planning a crusade to save other peoples. We are saving ourselves by accepting the cold fact that it is better to defend our own territory as far away as possible.

This is surely more logical than postponing our defense until bombs begin dropping on Hartford, Detroit, or Washington.

First. The proposed bill aims first at building up military strength. Truce talks in Korea have proved once again that we can only successfully negotiate from strength. Any unpreparedness or weakness is an invitation to more aggression. If we want to sit down to talk with Stalin we have to hold a very strong hand.

Second. Secondly, the bill aims at organization not only of our productive might but that of Europe. Much of our aid to our associates will consist of matériel and training. We can turn out war goods somewhat better than they can, and General Eisenhower's efforts to create a unified European army with standardized weapons and equipment will lighten the task for our highly developed mass production. But in appropriating this great amount we should realize that dollars alone are no defense.

Unspent money will not increase our war potential. The sum we vote must be translated into tanks and planes and guns and men to use them before it can be considered effective. At the present time, in my judgment, we should be pushing our defense needs way ahead of our civilian needs, and we should be urging Europe to do the same. Time presses. We should aim at reaching our peak of production as soon as possible, not 2 years hence. Do not let us hide behind the excuse that existing models can be improved. Every model can always be bettered. But we cannot afford to be perfectionists; we need those guns now. Once we have them, when we feel relatively safe, then we can level off and begin to think about increasing civilian commodities.

Not to do this is to talk like a globalist, but to act as an isolationist. We know that our national security is bound up with the security of the rest of the world. Europe and Asia are both threatened. If they were attacked they could be overrun before our help—at its present rate of production—could get into the field. What we need is more strength in being.

While the United States once again becomes the arsenal of democracy, it would be sheer folly to overlook the millions of stalwart men who inhabit the still-free countries. Outside the United States is a pool of military power which, if we can but succeed in increasing its potential, will outmatch that of Russia and her satellites. Together with us, these peoples still wield almost 70 percent of the world's potential strength. This we should utilize, and make it real and actual.

We can buy abroad more defense for less money. European and Asian armies cost less per division than American. And European-made matériel can be produced for less, too. This bill, in its economic phases, encourages defense production abroad. In Asia, by giving arms to Indochinese, Siamese, and Japanese, we are creating local defense in areas where it is inadvisable to commit our own Armed Forces. We are preparing second-string teams to match the second-string teams of Stalin's satellites.

Third. Finally the present act aims at strengthening the will of our associates. It will be a powerful builder of morale.

One of our great problems is the exercise of wisdom and patience in bringing our allies along toward strength and at the same time making sure that they do not lose all independence of action through lack of will. All the present evidence is to the effect that this problem is on its way to solution.

I know that world leadership is none of our seeking. We did not want it. But we have accepted it, and we must cease dismaying those on whose help we have to count. A bill such as the one we are discussing—bringing together, as it does, our various foreign-aid programs—will dispel the doubts of those who should be our unwavering partners. The proposed aid is both military and economic.

It is necessary to spend on both levels, for we are forced to consider problems of international economic development even while we are primarily concerned with national security.

So far we have, in large part, concentrated on economic aid, and principally to Europe. There the Marshall plan goals have been substantially achieved, and we can count on intervention a success. This plan was not a purely altruistic undertaking. No country can afford to forget its own interests. We should be doing less than our duty if we overlooked ours. Our concern over Europe's recovery was not merely to rehabilitate these countries, but to restore to solvency our own very good customers.

We would indeed be blind if we failed to recognize the volatile awakening of the Asiatic peoples. The problems of the world's hunger, increased population, ignorance of agricultural production, the drive to economic nationalism, and the draining away of resources must be spurs to our action. These vast millions of people are a potential force which may be constructive or disruptive depending in large measure on how we handle not only the menace of Soviet imperialism but world cooperation and rehabilitation.

Now our economic aid is needed to develop living standards in Asia, again not as a humanitarian gesture—this is no dog-gooder scheme—but as a matter of sound business and national self-interest. Let us look at the facts.

There is a definite relationship of our national security to international development. The United States with 6 percent of the world's population, and 7 percent of the land area, before the last war produced one-third of the world's manufactured goods and one-third of the raw materials. This balance has been displaced so that today, while we produce 50 percent of the world's manufacturing capacity our raw material production still remains at one-third. Our present plans call for an increase of more than 20 percent of our manufacturing capacity by 1953. Where is the raw material to come from? We need raw materials to supply our expanding production. Seventy-three percent of strategic and critical materials such as copper, lead, zinc, tin, manganese, cobalt, nickel, bauxite, natural rubber, wool, and others come from the so-called underdeveloped areas. We depend on mutual cooperation for the very life of our Nation. So primitive are the methods used in agricultural and resource development throughout the world that the sources of supply are inefficient, insufficient, and expensive. If we can help them with improved methods and simple machinery in order to allow them to produce more skillfully we are serving our own ends by helping them and in so doing we do not have to fear the future competition of cheap labor. It is our labor which is cheap, not theirs. Production under our efficient technology so far outstrips that of the industrial beginner that we do not have to fear and hinder their development. In the Asian wheat fields and rice paddies it takes 20 men to do what

a single American farmer does so that their wheat costs much more in the world market than an American farmer's wheat.

And as we spread economic development through the world we shall be creating a vast body of consumers who will begin to take up the slack of some of our own prodigious output, if, and when, ultimately, peace comes. We must think of the voracious appetite of our own industrial plant. And we shall find, as we found in Europe decades ago that the more a continent develops itself industrially, the better a customer of ours it becomes. It is a comforting thought that we can contribute very definitely to the defeat of communism and at the same time provide a solution for a problem that is bound to plague us in the future.

The point 4 program will not only transform the economies of backward countries. It offers something concrete for America. It gives us opportunities for showing the peoples of Asia what Americans are really like, what our real intentions are. The insidious charges of capitalistic materialism will wither away once we show that under our free-enterprise system we are willing to work along with them, live with them on their level, get to know them as human beings. It will provide tasks—and glorious tasks for our young men and women. So many of them crave a creative outlet for youthful idealism, and would gladly dedicate a year or two in this service to civilization.

There are those who imagine that economic aid alone would have been enough to meet the threat of communism. But on this score we must reexamine our premises. Admittedly communism thrives on want and misery. But want and misery alone would never have brought us to the present sad pass. It is primarily the Red armies, not the exploited masses that have spread Communist tyranny. Raising living standards alone does not stop communism.

Furthermore, we should understand that in certain cases, and notably in Europe, economic aid can no longer raise standards unless there is military security as well. Runaway capital is not going to return to a house on fire. If brought back, it will not be invested. Men are not going to work hard for the sake of a future that, in view of the Red hordes poised on their frontier, they find it difficult to believe in.

At present, both in Europe and Asia, military security must bolster economic improvements. Ultimately both must come out of the increased productivity of these continents. A relatively small increase in the per capita output of European workers could bring an annual total production to a hundred billion dollars more than at present. Out of this extra hundred billion dollars Europe could not only raise the standard of ill-paid workers but could arm herself amply at the same time. Yet until this is accomplished, we shall have to fill some of the breach.

Gentlemen, it is said that we have no foreign policy; and sometimes our hesitations and apparent contradiction seem

to justify this view. Yet it is essentially false. Since 1946-47 we have developed one of the boldest foreign policies ever undertaken by any country.

Against an adversary aiming at world domination we have moved steadily toward world-wide defense. Not because of any global mania on the part of our leaders. But because we refused to see the world power balance shifted to our detriment, to a point where not only we should be compelled to succumb or fight, but where we could no longer be sure of final victory.

We have acted in sheer self defense.

Yet, in the long run no purely defensive policy is good enough to win with. We must aim not only at saving what is still ours to save, but at solidifying the doubtful areas and eventually liberating all those peoples upon whom outside communism has been imposed.

To succeed in this, we must not only accept and strengthen allies wherever they emerge, but we must set ourselves for the long hard pull at home. No matter how much we may kid ourselves—one thing is certain. We are not going to be able to do it cheaply or easily.

But material sacrifices alone are still not going to be enough. As a people we shall have to concentrate our attention, our energy, our genius, our capacity for free cooperation on the major task before us—and keep them there. We shall have to put the saving of our country and our freedom above all other pursuits and personal matters. Above all we must be prepared to persist, undeterred by small successes or failure, month after month, year after year, until we reach our goal.

That goal is not military victory. We seek to achieve our ends without any third world war. We seek a world that is no longer an armed camp living under the menace of atomic extinction. A world of material benefits, yes. But above all where the accomplishments of the spirit can flourish as never before.

Mr. Chairman, I would now like to take the time to answer some of the questions that have been raised so far in the debate on the rule and in the committee.

The first question I would like to answer is the one just raised by the distinguished gentleman from Mississippi [Mr. COLMER]. The Marshall plan has not resulted in raising the living standards of the average worker in the European countries. This is a potential disaster, it would seem to me, because there is not any sense in sending guns over to Europe if we end up finding Communists behind the guns instead of the people who dislike communism.

I do not agree with the gentleman from Ohio [Mr. VORYS] that this bill does not allow something to be done in the economic field. Section 508-3 of this bill specifically provides that those countries enter into agreements with the United States in which they provide to adopt all reasonable military, economic, and security measures which may be needed to develop its defense activities and to insure effective utilization of the economic and military assistance provided by the United States.

It would seem to me, I would say to the gentleman, that if you break down the spirit and the will of the great masses of people all over the world, you are hurting the military efforts of this program and hurting the security of the United States. I think the time has arrived to put some mutuality into this program and to make sure that these European countries undertake some tax reforms, that they undertake to reform some of their wage schedules, to make sure that some of the funds we are giving trickles down to the great masses of people in Europe, and to try to see that their living standards are not completely snowed under by the steam roller of military production. I think, I would say to the gentleman, that that is provided in section 508-3 of this bill.

Mr. COLMER. I appreciate the gentleman's answering that question, but do I understand now that under this bill the Administrator can tie strings to these loans, grants, or whatever they may be called, that will require those people of those countries to handle their economy any differently from what they want to?

Mr. RIBICOFF. There seems to be some misunderstanding concerning the nature and purposes of the recently announced production assistance drive which ECA is starting in Europe. Specifically, it is reported that some people are concerned that ECA is proposing to interfere in an unwarranted manner in the domestic affairs of the European countries by trying to force private concerns to raise wages, whether or not their financial position could support the increased charges.

This sort of action is not at all what ECA has in mind. What they are proposing to do is, through a stepped-up technical-assistance program, to make a greatly intensified attack on low productivity and inefficient methods in the participating countries. ECA's experience in Europe has indicated that there are great potentialities in this area which, if properly developed, can bring about a very substantial increase in total production. If these potentialities can be realized, the increased production will materially strengthen the economic base of the participating countries. This would enable them to carry more readily the increased military burdens they are assuming and to do so without a serious decline in the standards of living of their people, which would increase the danger of internal Communist subversion.

It is important that the benefits flowing from this program be spread as widely as possible so that the increased production and efficiency will produce not only higher profits for owners of business, but also higher wages for workers and lower prices for consumers. This is especially true because one of the great weaknesses in certain of the European countries has been the fact that high prices and low wages place many of the lower-income groups in very difficult circumstances and thus make them highly susceptible to Communist propaganda.

ECA is, therefore, working in cooperation with the governments, management, and labor in the participating

countries to attempt to achieve both higher production and greater efficiency and also an adequate spreading of the benefits which will flow from this program.

Mr. COLMER. I appreciate that and I do not want to take too much of the gentleman's time, and he is very generous about it, but does the gentleman think that we should pursue that policy of telling these people how they have got to manage their economy?

Mr. RIBICOFF. To a certain extent, yes; and I will give the gentleman an example.

Mr. COLMER. Then, do we not lay ourselves liable to the same charges that we make against the Communists, against the Socialists, and others?

Mr. RIBICOFF. I do not think so, I may say to the gentleman.

Mr. COLMER. I think it is a very wrong policy.

Mr. RIBICOFF. Permit me to point out that the Bell report came out last year indicating the almost complete economic and financial disintegration of the Philippine economy. The United States is vitally interested in keeping the Philippines a going concern. Because of our great responsibility in the Philippines we are pledged, and we have agreed, to give substantial aid and will in the future. But because of the disintegration of their fiscal policy, their economic policy, their tax policy, the Philippines were about ready to disintegrate. The Bell Commission conducted a study, and made certain recommendations. That does not mean holding a club over these nations, but we are telling them that we can expect and do expect that if the taxpayers of the United States pay out of their taxes and our funds enough money to get these programs going, the least we can expect is certain tax reforms to make sure that those nations which are able will agree to pay their fair share of keeping the military and economic policies of those nations going.

It is not a question of telling a nation what type of government it has got to have; because I will be frank with the gentleman, we contemplate in this bill helping every conceivable type of government. You have Tito in Yugoslavia, a Communist at one end of the line, and you have Franco of Spain at the other; in between you have Socialist England, you have monarchies, you have democracies, you have Socialistic governments. The United States has got to recognize these diversities all over the world. It is not a question of telling a nation what kind of government it has to have, but an expectation that they will undertake reasonable means to make sure that they have a viable, going government that will keep their own nation on an even keel while they are building up their own defenses—and the security of the United States too.

Mr. COLMER. One more question, if the gentleman will permit, on that point: Specifically, the gentleman from Pennsylvania was interested in knowing, as I got it, whether there were to be wage reforms, and so forth; and I got the impression from the chairman's answer

that there were. I make the point, whether rightly or wrongly, that this country has no right to tell these other countries how they shall manage their economy; and to do so we lay ourselves liable to all kinds of charges of dictatorship, and imperialism, and what have you.

Mr. RIBICOFF. I may say to the gentleman, and anyone who has studied the subject will tell him the same, that this country will continue to exercise its responsibilities in a nonimperialistic way in one of complete cooperation and agreement for the benefit of all concerned.

I would say to the gentleman as long as I have sufficient time, and if more is yielded to me, I would like to explain various phases of this bill where questions have been raised and there were a number of questions.

Mr. MEADER. Mr. Chairman, if the gentleman will yield, I wanted to ask a question at this point.

Mr. RIBICOFF. Suppose I try to conclude with some of the other questions first and then I will come back to the gentleman from Michigan and take up his question.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question on this very point?

Mr. RIBICOFF. No, because I have just refused to yield to the gentleman from Michigan. I will yield to the gentleman from Iowa later if I have time.

A question has been raised about section 513, the functions of the Secretary of State. It was said that you, meaning the Foreign Affairs Committee, have set up an administrator. Why section 513 where you say that—

Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

I say to the membership of the House that section 513 cannot be read by itself. Turn to section 503 of the bill, which sets up the principle that we are operating a coordinate system. This bill puts certain duties on the Secretary of State, the Secretary of Defense and the Administrator. I think that all of us in this House are responsible enough individuals to realize that when we are talking today about great principles and setting up an organization to handle them you cannot interpret it in the text of the personality of a Secretary of State that you may or may not like.

We are today passing a basic law that will apply to a President in 1952, whether he be Democrat or Republican, we are passing a law that applies to a Secretary of State, whether he be Dean Acheson or any other successor in the future. We certainly have a responsibility as Members of this House not to take out personal spite or personal spleen against an individual on basic policy.

Basically and legally the Secretary of State of the United States is responsible for the foreign policy under the direction of the President of the United States. Certainly in setting up an administrator here, we have no right to impinge or infringe the duties of the

Secretary of State. This act setting up the Administrator provides that in the field of foreign policy, if there is any question of difference between the Secretary of Defense, the Secretary of State or the new Administrator, it then becomes most important that that question be decided by the President of the United States who has the duty to carry out the foreign policy of the United States.

A question has been raised also about the matter of \$85,000,000 approximately for point 4, the statement being made that this is "do good" money, this is money that goes down the sewer, this is money that brings back no returns whatsoever. But strange as it may seem, the so-called point 4, to those who like to value themselves as hardheaded, practical men, eventually may be one of the most important parts of our American policy.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MANSFIELD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. RIBICOFF. Mr. Chairman, let me explain why. You know the time may very well come soon that the United States in the wealth of its productive capacity might find itself drowned in the production of its own goods. Before World War II the United States produced one-third of the industrial production of the world and one-third of the raw materials of the world. At the present time, the United States produces 50 percent of the industrial production of the world and still one-third of the raw materials of the world.

It is proposed under our basic scheme of production that that even be increased 20 percent. To realize what an increase of the present productive capacity of the United States would be if increased 20 percent, take an example. England, a great industrial nation from its inception until today, its entire productive capacity, out of the lines of the factories of England, is not the equivalent of what a 20-percent increase would be in the productive capacity of the United States by 1953. This great industrial machine of the United States at the present time gets 73 percent of its critical materials from abroad. What is going to feed the pipelines of American industry? Where are we going to get the difference in lag between that one-third in our raw material supply to a question of approximately 60 percent of the world production of industrial goods? The only place you can get it is by making sure that the backward areas of the world are so developed that they will produce the raw materials that will come in to feed the industrial machine of America, and also by raising the living standards all over the world we make it possible to have customers who can buy the production of the United States. If peace should come, the United States may find itself with approximately \$60,000,000,000 of excess productive capacity, and those of you who are the hardheaded men and who want to figure this thing out for the benefit of the United States keep that in mind, because that question is here, and the United States is no

longer completely independent from other sections of the world.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Michigan.

Mr. MEADER. In connection with the inquiry of the gentleman from Mississippi [Mr. COLMER], I was reminded of the articles which appeared in the press recently that certain individuals in ECA are planning to establish an international reconstruction finance corporation to make direct loans to business enterprises in foreign countries, and that they propose to attach as strings to those loans, first, that the profits of those concerns shall be kept low and, second, that the wages of those concerns shall be kept high. I wonder if the gentleman could inform us whether there is any responsible thinking in that direction in the ECA or whether that kind of a program, if it is in the minds of persons in the ECA, would be possible under this bill.

Mr. RIBICOFF. I will say this: I do not recall any testimony along that line before our committee. If it was presented, I might have been absent, but I think I attended those hearings faithfully and regularly. I read the same article that the gentleman read in the New York Times.

I would say this: The gentleman from Ohio [Mr. VORYS] wrote an amendment in his bill requiring that 20 percent or approximately \$320,000,000 of the economic aid would go in the way of loans. Now, I suppose if those loans were made, they would be made on the basis with some strings attached and I, for one, would hope there would be some strings attached because the hearings disclose, and I think the gentleman from Massachusetts [Mr. HERTER], who was over there with the subcommittee and studied the question of the economic restrictions and the choking of the industrial machinery of France and the European countries, will explain it to the House. What most Members do not realize is that capitalism as we know it in the United States is unknown to most other countries in the world. Capitalism in the United States is a responsible capitalism. Capitalism in the United States goes by the philosophy to produce as much as you can at a small profit and pass it along in increased productive consumption all over the United States and in high wages to bring back a fair return, a fair wage, and fair profits to all our people.

But in all European countries the philosophy is different. It is a philosophy of scarcity; it is a philosophy to produce as little as you can, at as high profits as you can, and the devil may take the great mass of the people in the nation, and the devil may take their nation, and the devil may take anyone except the entrepreneur who is running on an antiquated philosophy of a capitalism that we in the United States have rejected long, long ago. I, for one, would hope that such conditions were attached to make sure that these people revise their own standards because I am a great believer in the capitalistic system as run in the United States. If we had

responsible capitalism in every nation in the world, and in Europe—and do not worry about the label—we would have the greatest “stopper” to communism that has ever been conceived because Marx, in his Manifesto, when writing about capitalism, could not conceive of American capitalism developed on the American model. United States capitalism has brought great benefit to all mankind and great benefits to the people of this country. Communism could not hope to bring the equal and if we could get some of our philosophy across to the Europeans, it would redound to the benefit not only of the United States but to the entire world.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman said that this bill provides for economic assistance to Yugoslavia and Spain.

Mr. RIBICOFF. The bill is broad enough to encompass that. The bill does not provide for specific items of aid to any particular country except with respect to the Palestine refugee problem and the Israeli refugee problem. Outside of that the sums are en bloc to certain areas where the aid can be given to certain areas, but they are not specific.

Mr. GROSS. It is contemplated money will be spent in those countries; is it not?

Mr. RIBICOFF. I would answer the gentleman in the affirmative.

Mr. GROSS. Yet we find on page 25 language designed to say that there shall be greater freedom and justice, land reforms, and tax reforms, I believe the gentleman mentioned a moment ago. What I am wondering is, just how contradictory can you get.

Mr. RIBICOFF. I do not think there is any contradiction. This has to do with military assistance, to further the military and economic security measures. I do not think there is anything inconsistent in those provisions at all. I do not think the United States is going to try to change the system of government of any nation in Europe or in Asia.

Mr. GROSS. I do not think we should, either, but I think there should be mandatory language in a bill of this kind, where we are giving cash to these countries, that they be compelled to raise the standard of living in those countries. I do not think you can do it through tyrannical dictatorships, the form of government such as you have in Yugoslavia.

Mr. RIBICOFF. In the field of dealing with sovereign states the word “compel” is a word that would hurt and not help. I am hoping that with these conditions in here there can be some discretion on working this out on the basis of mutuality.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I believe that the gentleman stated that this bill contains an authorization for \$85,000,000 for the point 4 program for the next year. How much money did we actually spend last year on the point 4 program?

Mr. RIBICOFF. Last year we authorized about \$34,000,000, approximately, and I believe that amount was spent. The gentleman will not find the \$85,000,000 segregated in this bill, but throughout the bill in the economic assistance for the different areas. The amount to be spent in the so-called point 4 program totals \$85,256,000, which, in my opinion, is one of the best investments the United States could possibly make.

Mr. ELLIOTT. I want to ask the gentleman a question about that. Has the experience we have had in the first year, or whatever period we have operated point 4, been fruitful of good returns to our country, in the gentleman's opinion?

Mr. RIBICOFF. I would say absolutely. I would commend to the gentleman the reading in the record of the testimony of Dr. Bennett, who is, I would say, one of the outstanding Americans, former president of the Oklahoma Agricultural and Mechanical College. His testimony goes completely into the entire point 4 program. Dr. Bennett was a breath of fresh air. The benefits that have come from that program are so amazing for the cost that is invested that it would make you proud that there are Dr. Bennetts in the United States who are undertaking this program with enthusiasm and cooperation.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. GORDON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. GORDON. Mr. Chairman, I rise in full support of H. R. 5113, the mutual security program for 1952. Generals Eisenhower, Marshall, Bradley, and Gruenther—all of them great soldiers and leaders—consider this program as part and parcel of the national defense program of the United States. I concur wholeheartedly in that view.

I had the privilege of serving on the congressional study group, made up of members of the Foreign Affairs, Armed Services and Appropriations Committees, who visited Europe last June at the request of the Department of Defense in connection with our consideration of the mutual security program. I think I am safe in stating that every member of the 18-man study group was thoroughly impressed with what he saw. I remember so clearly General Eisenhower's words: “Gentlemen, it is this or else,” and I recall so vividly the determined expression on his face when he spoke these words. Everywhere we went, it was so obvious that our partners in the North Atlantic Treaty were looking to the United States for leadership. We have supplied that leadership in the past, and we must supply the greater measure of leadership which is provided for in this bill. If we fail our partners, it will mean the end of free Europe as we know it, but more than that, it might well mean the end of the United States as we know it. That tragedy must be avoided.

Together with the free world, we face the greatest menace ever confronted by

civilized mankind. There is no need to elaborate upon it. We are all aware of it, although our methods in meeting the menace may vary among the membership of the House. The Soviet threat is directed at all areas of the world. But, let us remember this—it is especially aimed at the United States. The Soviet rulers are thoroughly aware of our great industrial capacity. They would like nothing better than the chance to destroy that capacity—and our way of life. The best means of preserving our strength and using our capacity to maximum effectiveness is to combine with our friends in collective security. This we have done in the Rio Pact with our Latin American neighbors, and in the North Atlantic Treaty with our friends in the North Atlantic area. Next to our own, Western Europe has the greatest industrial potential in the world. Should it fall into the clutches of Soviet imperialism, the target—the United States—would be that much easier to shoot at. Latin America, too, is an area vital to our own security. Our situation would be desperate should it fall under communism. The same is true of the Far East and the Near and Middle East. It is, then, unwise and against our own vital interests to rely solely on our own strength and to bury our heads in the sand like an ostrich. The Mutual Security Act of 1951 proposed in this bill integrates our programs of military, economic, and point 4 assistance to free nations everywhere as a bulwark against the threat of Soviet aggression and subversion. The threat of Soviet aggression and subversion is an ever-present danger. The goal of the Kremlin—world domination—does not change. It is only the tactic that changes. Whatever the Kremlin does is calculated, and deliberately follows a timetable. The Kremlin has been very skillful in setting its own timetable and moving only when it considers it advantageous to do so. It is the objective of this bill to make it exceedingly difficult, if not impossible, for Soviet aggression to set its own timetable, or to shatter that timetable should the Soviets attack.

We on the Committee on Foreign Affairs have given this bill a thorough going over. In addition to the valuable information we obtained in Europe, we had before us the benefit and advice of the top officials in our Government, both from the executive branch and the Congress. Men like Nelson Rockefeller, Paul Hoffman, Tracy Voorhees, and many other public-spirited private citizens, following distinguished public careers, sat down with us in committee to discuss the program from beginning to end. We owe them a debt of gratitude for their devotion and civic service. But I wish to emphasize this particularly—the contribution and hard work, so typical of the House, which my distinguished colleagues on the Foreign Affairs Committee, under the great chairmanship of the gentleman from South Carolina, Hon. JAMES P. RICHARDS, have exerted on this bill is worthy of the highest traditions of the Congress.

We have sought in this bill to present what we consider a minimum program. It is not a maximum by any means.

General Eisenhower has stressed the necessity for providing our allies with sorely needed military equipment to furnish the collective security forces with the items essentially needed. Most of these items they could probably produce themselves. But they cannot gear their recuperating economies to a military productive effort in time. And time is of the essence. We must take advantage of that time according to our availabilities. They must take advantage of that time according to their availabilities. It is not a case of comparing their effort with our effort. The true yardstick is how they are making use of their availabilities and capacity. To me the come-back of free Europe, thanks to such programs as Greek-Turkish aid, the Marshall plan and mutual defense assistance, is almost miraculous. We must not strain their economies to a point where the internal forces of subversion could capitalize on poor economic, social and labor conditions. That would defeat the very objective of the mutual security program. This point was emphasized by General Eisenhower in no uncertain terms.

The bill before us is worthy of a great Nation. It is worthy of this House and the Congress. And it will serve the worthiest cause of all—peace.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I want to say at the outset that I join with my colleague from Ohio [Mr. VORYS] in commending the chairman for his handling of this bill in the committee, and also the staff, which worked night and day in getting this legislation ready.

I am in disagreement with the committee on the underlying philosophy of the legislation. It is my position, very broadly speaking, that this program has in no way stopped the spread of communism and any further authorization as provided in this bill is a waste of the taxpayers' money.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. NICHOLSON. Has the committee considered where this money is going to come from that is going to take care of this proposition?

Mr. SMITH of Wisconsin. That matter is not considered, of course. In our committee, we are not concerned with where the money is coming from, unfortunately.

Mr. Chairman, I think the time allowed for general debate on this matter is rather limited—too limited. The amount authorized is practically the same as that which is provided in the tax bill, which the House passed and which the House Committee on Ways and Means labored over for 3 months, and which the Senate committee is now laboring over in the same way. Yet, we come here and with 4 hours of general debate, we are going to spend that whole amount. It is unfortunate by our action on this bill we shall spend all the tax money that we will raise under the tax measure, still to be enacted into law.

Mr. Chairman, for 6 years our foreign policy has been to buy our way to world power and prestige. Having failed in that approach we now prepare to shoot our way to that position. The struggle between Russia and the United States is for a balance of power in this troubled and confused world but our leaders lack the courage to be forthright and tell the American people that this is the fact.

Make no mistake, this is primarily a military bill. Many who believe it is necessary to prepare the defenses of Europe against possible Russian attack will vote for it but will also vote to strike out economic aid. It is my view that both programs have not been fully justified as to amounts. Both can stand deeper cuts without injury to the objectives sought. Other titles in the bill are minor ones but deserve careful examination.

Mr. Chairman, enthusiastic partisans of foreign policy in 1948 reached for the Marshall plan as a muskie in Wisconsin strikes at a lure. "Provide the war-wrecked countries with money and raw materials and they will then defend themselves against Russian expansion," they said. Thus the Economic Cooperation Act of 1948 was established. It was to relieve human suffering and initiate the task of reconstruction. There was the prayerful hope that it would succeed. Since the act of 1948, the United States has appropriated about \$11,000,000,000 for expenditures and credits and the Secretary of State recently said that \$25,000,000,000 more would be needed in the next few years and that was only a guess.

Almost 4 years have passed and it is obvious that the promises made by the advocates of globaloney spending or the Give America Away Society have not been fulfilled. Western European countries have made a remarkable recovery. Productivity is at least 40 percent above prewar 1938. While this fine come-back was being achieved in Europe, the American taxpayer was dumping \$25,000,000,000 into the effort also. This huge sum was contributed over a period of 5 years from July 1, 1945, to June 30, 1950. Yet, the threat of communism is so great today that we are forced to rearm all of the nations in the North Atlantic Treaty Organization. Every propaganda agency in government is engaged in a campaign to create a fear complex in this country, in the Hitler manner. This European rearmament program is a confession of failure; it is an admission that economic aid has not achieved the results promised under the Marshall scheme. The facts are obvious to all who are interested. There is not one scintilla of evidence to indicate that Russia is about to start a war. It exists only in the minds of the propagandists. "There is no immediate threat of war," General Eisenhower said recently. But our foreign policy having failed, the Army is called upon to bail out the State Department.

In justification of continued spending, it is alleged that communism is being contained. What are the facts, very briefly? In the last general election in France, the Communists polled

one out of every four votes. The United States News and World Report states that this represents a slight drop of 6 percentage points in the total of Communist votes cast in the previous general election. It is as if 12,000,000 American voters were voting Communist. Yet in 5 years the United States has spent \$4,000,000,000 in France to discourage communism. In spite of increased productivity, industrially and agriculturally, the largest single voting group in France is the Communist Party.

The situation in Italy is much worse. There we contributed more than \$2,000,000,000 over the same period and for the same purpose that we did in France, to stop the spread of communism. Did it work? No. Actually the Communist vote increased. It is as if 20,000,000 American voters were voting Communist.

In England, Britain's foreign policy is under attack by Bevan, left-wing labor leader. He charges that the job for the British is to restrain America, not Russia. Can you beat that? His group is opposed to the development of air bases in England. Have we made friends and is there the will to fight? I did not find it in our recent trip. How much dependence can we place upon the strength of nations whose armies, government, diplomatic machinery, unions and industries that are infested with Communists and sympathizers? I ask the proponents of this legislation to answer that question before this debate is concluded.

I remind you that the objectives of the Marshall plan were to reconstruct and rehabilitate the war-damaged economies of the Western European nations and to attain political and economic integration as well. Only one goal, has in a measure been achieved, the reconstruction of the industrial machine. I repeat, only in a measure, for while productivity is above prewar, the human beings engaged in industry and business have not shared in it. More about that later. I doubt that anyone will assert that political and economic integration has been achieved in the European community. The fact is that as the several nations become more prosperous, nationalism has increased; each desired to become self-sufficient and was more assertive of its own sovereignty and the maintenance of it.

So where do we stand today? My concern is not with the details of this legislation but with its policies. Are we embarked upon a program that must lead to war—sooner or later? Is our action belligerent and arrogant? Is the fate of western civilization dependent upon us? Russia knows and we must know too that in this atomic age neither side will win the next global war.

There is one inescapable fact as I see the development of our foreign policies which aims to contain communism. It is that Communist ideology cannot be stopped by guns, bullets, planes or bombs anymore than you can stop the spread of Christianity in that manner. We are not getting at the source of the infection; we are merely cutting away the growth.

The evil of our times is political instability; it is the source of infection which makes communism possible; and we ignore it. Communism has extended its power since 1945 beyond the Kremlin's fondest hopes and without firing a shot. Its appeal is to the great mass of people who want bread, who want peace, who want no war.

In the scattering of our billions of dollars all over the world we have not been concerned with the welfare of people, we have been zealous to maintain the status quo by supporting existing governments. Eleven billions of dollars spent in Europe since 1945 has not raised the standard of living of the British, French or Italians to any appreciable degree. In France the national income per capita for 1951 was \$542; in the United Kingdom—Britain—it was \$631, and in Italy it was \$286. Is it any wonder that people in Europe shrug their shoulders and say, "What difference does it make what form of government we live under?"

The increased productivity—40 percent above prewar—has not been shared with the people as I said before and in the legislation before us, no effort is being made to correct that deplorable situation. Inflation and meager wages and salaries are vital factors in the spread of communism and no amount of military defense can stop it. Why do not we do something about it?

Bankrupt Socialist governments which we support with our hard-earned dollars are a burden and a handicap to the people in Europe. They offer no hope for the people. Governments have destroyed individual initiative; they have taxed away incentives, except for the select elite. Given the opportunity people can and will solve their own problems—human nature is that way. This legislation offers no hope to free people. Freedom to work and share in the fruits of our labor was our heritage under a Government that permitted freedom of enterprise.

Nobel prize winner William Faulkner said recently that world governments are "using fear to rob man of his individuality and of his soul."

Our danger is the forces in the world today which are trying to use man's fear to rob him of his individuality, his soul, trying to reduce him to an unthinking mass by fear and bribery—giving him free food which he has not earned, easy and valueless money which he has not worked for.

The economies or ideologies or political systems, Communist or Socialist or Democratic, whatever they wish to call themselves; the tyrants and the politicians, American or European, or Asiatic, whatever they call themselves, who would reduce man to one obedient mass for their own aggrandizement and power, or because they themselves are baffled and afraid, afraid of, or incapable of, believing in man's capacity for courage and endurance and sacrifice.

That is what we must resist if we are to change the world for man's peace and security.

Mr. Chairman, that is the objective we should be seeking in this legislation. But we are not.

We have no right under the pretext of our national security to be forcing the

people of Europe to rearm. Actually we are insisting that they do so and this is arrogant conduct. The gigantic military program now proposed will further depress the standard of living and in addition invite possible attack by Russia. This is a ghastly and dangerous business for Europeans and Americans alike. Eventually the problem must be resolved from within each country under the kind of government that we can encourage where individual initiative and enterprise prevails. The struggle may be a long and arduous one but the more this Government administers opiates in the form of military and financial subsidies the more difficult will be the task. The job we have to do, as I see it, is to insist upon political stability as a condition for any further aid. This is of prime importance to the free world.

The policy of getting tough with Russia and the Truman policy of containing communism are about to become obsolete, in the opinion of some political writers. Toughness between equals becomes a two-way street—containment is a matter of choice for the one to be contained. Hans J. Morgenthau, in his book, *In Defense of the National Interest*, says:

The unilateral application of pressure as the sole means of achieving our objectives has become impossible, which is another way of saying that the period of the cold war has come to an end. The atomic flash somewhere in Asiatic Russia ended the twilight state between peace and war in which we have been drifting. From now on it will be either peace or war.

The great imperative need in this hour of dismay and confusion is for our leaders to be honest and forthright with the people. To say that our policy is to contain communism and thereby justify the expenditure of funds for economic and military purposes is less than honest. The real struggle between the free world and Russia is for power—political and economic power in the world. The United States of America is being challenged by the U. S. S. R. and the stakes are high. Germany can well be the place where the showdown will occur; it is in the "heartland" of Europe. But our leaders pussy-foot when it comes to telling the truth about that situation. Who wins Germany wins the fight to save free people from the despotism of Soviet slavery.

Our leaders would have us believe that in the United Nations lies our security that it must finally bring peace to the world under law. Despite all theories of collective security and international action against aggressors, going to war is still something that must be justified to the people who do the paying, the fighting, and the dying as a sacrifice demanded by the national interest. And so long as this is true, the United Nations organization can serve only a very limited purpose. We are living in a power-hungry world. This grasping for power by the Soviet Union and the United States has not yet reached its climax, and with the feverish haste to rearm, war cannot be far away.

Weak, vacillating policies in Asia and Europe have undermined our Govern-

ment. Other people have lost confidence in us; they question our motives. Pearl Buck, in a recent article said that Americans should accept the fact that we are the most hated people in the world. Our diplomacy has failed, our politicians have scotched military victories. Yet once more we are asked to support these same leaders with our dollars and our sons. Passage of the present bill is a confession of failure for it means there is but one course open to us—that of war. The traditional and historical methods of diplomacy have been avoided. This is the disheartening fact. The people have been fooled. Now they are confused, and they pray for sound and honest leadership.

Morgenthau in his book to which I have referred, makes this indictment against our leadership in words beyond my powers to express it. Speaking to our leaders, he says:

You have deceived once; now you must deceive again, for to tell the truth would be to admit to have deceived. If your better judgment leads you near the road of rational policy, your critics will raise the ghost of your own deception, convict you out of your own mouth as appeaser and traitor and stop you in your tracks.

You have falsified the real issue between the United States and the Soviet Union into a holy crusade to stamp out Bolshevism everywhere on earth, for this seemed a good way of arousing the public; now you must act as though you meant it.

You have told the people that American power has no limits, for flattery of the people is good politics; now you must act as though you meant it.

Your own shouts mingled with the outcries of the opposition have befuddled your mind; now you wonder whether you are fighting Russian imperialism or trying to obliterate communism; whether you want to defend Europe by sending troops or by creating a deterrent of a strong United States; whether you want to stay in Korea or get out; whether Formosa is vital for our security or might become a liability.

Instead of leading public opinion on the steady course that reason dictates you will trail beyond it on the zig zag path of passion and prejudice. You will meet popular opinion not at a point still compatible with the national interest, but rather where, regardless of the national interest, a deceived populace will support policies fashioned in the image of its own prejudices.

Where a knowing, prudent, and determined government would endeavor to raise the people to the level of its own understanding, an ignorant, improvident, and weak government will follow its own propaganda to that low level where misinformed passion dwells. You will become in spite of your own better self the views not of what is noble, wise, and strong in the nation, but what is vulgar, blind, and weak.

Mr. Chairman, the Quakers, who never give up their fight for peace, assert that the basic concept of American foreign policy must be freedom for all men, a decent standard of living, peace, and security. Is our present foreign policy leading us to those objectives? The Quakers' answer is, emphatically "No." They charge that the record of the United States in Asia and Europe has been to convince the common people there that our primary purpose is to prepare for a coming war with Russia, that there is

no longer any belief that our declarations of high principle are more than a respectable front for our aims in a power struggle.

The Quakers reject the principle this legislation approves, namely, that peace and national security can and will emerge from an arms race or that our problems can be solved by dropping A-bombs.

Mr. Chairman, we are on the road to national suicide; we are dissipating our human and natural resources at a terrific rate; we are scattering our shots ineffectively all over the world; we are on the road to national bankruptcy; we are taxing to the point of diminishing return and the people of this country are demanding that we stop these reckless policies that are obvious in this bill.

Mr. Chairman, the time is now for this Congress to make foreign policy to the end that we will help people everywhere to higher and better standards of living, then we can defeat communism and in no other way.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

FOREIGN AID—CAN THE UNITED STATES CONTINUE TO FINANCE THE WORLD?

Mr. ANGELL. Mr. Chairman, we have before us H. R. 5113, which calls for the expenditure of \$7,848,750,000 in the next fiscal year for foreign aid. It is my information that Secretary Acheson in testifying before a congressional committee recently stated that in the next 3 years the United States would be called upon to spend \$25,000,000,000 in foreign aid.

Those of us in the Congress who are responsible for putting the O. K. on these expenditures are aroused over the program of this administration for foreign expenditures which, in the judgment of most economists, is reaching the breaking point. The United States alone cannot feed the world, neither can it finance its economic or military operations.

In order that my position may not be misunderstood, I want to say that I have supported all legislation for appropriations for national defense, believing that we should keep our Nation militarily strong to enable us to defend our country against any attack. Thus far I have also voted for foreign aid.

I also favor a pay-as-you-go policy and am opposed to deficit spending and believe that we should not saddle the debts of one generation upon a succeeding generation except in cases of great emergency. I feel that this Nation cannot feed, finance, and arm all the world outside the iron curtain and for that reason it behooves us to reappraise our resources and financial ability and make drastic reductions in Government expenses, particularly in all programs for overseas expenditures where the same are not absolutely essential. The time has come to give some consideration to our own people. We are providing finances for public works of all types, river and harbor improvements, flood

control, hydroelectric development, waterworks, public buildings, and a myriad of other public improvements overseas while we are drastically curtailing similar improvements here at home which are vitally needed for our own economy.

I believe the time has come to use some of these billions of dollars we have been spreading around the world for the development of our own economy and the protection of our people here at home. The American taxpayer is being bled white. There are millions of our old people and low-income groups who are finding it difficult to make ends meet and keep the wolf from the door with the meager incomes they are receiving and the swollen prices under inflation for the necessities of life.

Many of the European nations to which we are furnishing substantial foreign aid are in a better economic

condition than is the United States. Many of them have an over-all per capita indebtedness less than ours and they are able to balance their budgets whereas we have been operating in the red almost continuously since 1932. The total expenditures of this Government have reached such staggering proportions that we are brought to the realization that a break must be put on our spending if our financial structure is to be held intact. The late President Roosevelt said in an early campaign that any nation, like any individual who continually spends more than it receives, was headed for the poorhouse and bankruptcy. How ominous those words are when we consider what has been spent by the Roosevelt and Truman administrations since the words were uttered. The following tabulation vividly expresses in dollars this startling expense program:

Period	Receipts	Expenditures	Debt
All Presidents to 1933.....	\$91,586,076,130	\$112,203,367,065	\$22,538,672,154
Roosevelt administration, fiscal 1934 to 1945.....	165,790,825,357	372,235,200,271	259,115,345,802
Truman administration, fiscal 1946 to 1951.....	256,626,307,445	266,007,122,624	268,000,000,000

Many of us in the Congress are wondering why Americans are called upon for \$45,000,000,000 in arms while Europe can scrape up less than eight billions. The administration forces now tell us we must arm all of Western Europe, yet Europe is in the center of the war danger zone and sitting on the powder keg. The nine nations allied in the North Atlantic group have 175,000,000 people, Western Germany 48,000,000. The industries of those nations are turning out 44 percent more goods than they did before World War II but yet these nations in the year ahead plan to spend only \$8,000,000,000 on its own defense while the administration is calling upon the United States with only 150,000,000 people to spend \$45,000,000,000 for arms even though we are far removed from the battle area and certainly much more remote from danger than the nations of Europe. The Communists have boldly proclaimed that the United States will spend itself into disaster. Russia is sitting by biding its time while we are well along the road on our spending spree. As reported in the August 10 issue of United States News and World Report, in the year ahead the United States will spend on its Armed Forces \$40,500,000,000, and will make available in military aid to Europe five and two-tenths billions; the allies of the United States in Europe will spend on their armed forces seven and nine-tenths billions. The postwar loans and grants to Europe prior to the Marshall plan cost the United States nine and six-tenths billions. Marshall-plan aid to Europe to date has cost the United States eleven and seven-tenths billions. The proposed 3-year plan of military and economic aid to Europe would cost \$20,700,000,000 as reported in the United States News and World Report.

The President is planning an over-all expenditure for the fiscal year of over

\$71,000,000,000. It will probably be nearer a hundred billion if he has his way. If the Congress authorizes the present request for foreign aid, the total authorized gifts, loans, and credits in the past 10 years will aggregate \$124,000,000,000. The United States has only 6 percent of the population of the world, yet we are attempting to feed, finance, and equip for war the entire world outside the iron curtain. It is high time for the taxpayers to call for an accounting and a stop to the flagrant waste of our resources.

The people of the United States are entitled to know why it is that those in control of the Government since 1933 have kept our country almost continuously in war and made it possible for the Communist Government of Russia to extend its domination from 170,000,000 people in 1945 to 800,000,000 today and to spend more than all other administrations in our history combined, and why it is that we lack effective, forthright, far-sighted leadership at home and abroad, and why it is that notwithstanding billions appropriated for national defense, we found ourselves inadequately prepared to meet the Korean conflict. This lack of leadership and the willingness to accept political expediency has left us confronted with exorbitant prices, mounting taxes, dwindling savings, and insolvency. We are attempting to substitute billions of dollars for effective and forthright leadership and to substitute bullets for statesmanship. No armed force can survive internal weakness, corrupt and vacillating leadership. In truth America's greatest need is honest and effective leadership on the national level, leadership that is courageous, far-seeing, honest, and guided by high moral principles and spiritual values. These we do not possess today. It is time to take up this

fight to restore them and for the restoration of democratic processes here at home and the preservation of our American way of life and our capitalistic system of free enterprise which is being undermined by socialistic panaceas.

The foreign-aid program has donated to the rest of the world equals in value the physical assets of five States—Illinois, Indiana, Iowa, Michigan, and Wisconsin. International aid from 1940 through 1950 donated by the United States is as follows:

Institute of Inter-American Affairs	\$122,879,887
Participation in international organizations	182,450,186
International refugee organization	212,214,257
United Nations relief and rehabilitation administration	2,701,900,000
Government and relief in occupied areas	4,335,500,000
Relief of Palestine refugees	43,450,000
Relief assistance (post UNRRA)	385,000,000
Aid to China	1,363,000,000
Aid to Greece and Turkey	945,000,000
Assistance to the Philippines	575,803,398
Mutual defense assistance program	6,492,033,729
Aid to Korea	250,000,000
International children's emergency fund	160,000,000
Interim foreign aid	577,000,000
Information and educational activities abroad	178,855,850
Economic cooperation administration	10,952,380,000
Lend-lease appropriations (net)	\$67,869,771,129
Purchase of strategic and critical materials	4,103,548,370
Cooperation with American Republics	32,877,800
American Red Cross, foreign war relief	85,000,000
Inter-American highway	56,400,000
Surplus property disposals, balances	1,020,241,000
Eradication of foot and mouth disease, Mexico	75,000,000
Displaced Persons Act	15,410,000
International development programs	26,900,000
Compensation to Finland, requisitioned ships	5,500,000
Administering island governments	8,675,000
Assistance to Yugoslavia	50,000,000
Total international aid items	102,821,790,606

Appropriations for loan programs in the same 10-year period:	
United Nations headquarters loan	65,000,000
British loan	3,750,000,000
Subscription in international monetary fund	2,750,000,000
Subscription to International Bank	3,175,000,000
Export-Import Bank loans outstanding, Dec. 31, 1950	2,226,431,000
RFC foreign loans outstanding Dec. 31, 1950	110,268,000
Total loans	12,076,699,000

Credit programs maintained by our Government:	
United States Maritime Administration, balances due on ship sales	174,970,000
Surplus property disposals, balances	1,020,241,000
Lend-lease silver account balances due Dec. 31, 1950	291,215,000
Philippine funding credit	35,000,000
Total credits outstanding	1,521,426,000

I recently asked the Library of Congress in its Legislative Reference Service to give me a breakdown of foreign-aid grants, gifts, and expenditures by our Government from July 1, 1945, to March 31, 1951. This information is most illuminating as disclosing the wide range of activities financed by our Government around the world and giving concrete evidence of why it is we are in the midst of an inflationary period, with the highest tax burden in our history or in the history of any country, and with prices for the necessities of life reaching astronomical figures beyond the ability of low-income groups to cope with.

This breakdown of expenditures is as follows:

Summary of foreign aid (grants and credits)—by program—July 1, 1945, to Mar. 31, 1951

[In millions of dollars]	
Grants utilized:	
Lend-lease	1,946
European recovery	8,478
Civilian supplies	4,809
UNRRA—Post-UNRRA and interim aid	3,443
Philippine rehabilitation	623
Korean and far eastern (general area of China) aid ¹	290
Technical assistance and military aid ¹	139
Other	455
Miscellaneous	123
Total grants utilized	20,305
Credits utilized:	
Special British loan	3,750
Export-Import Bank	2,812
Lend-lease (excluding settlement credits)	69
Credit-agreement offsets to grants	1,256
Surplus property (including merchant ships)	1,334
European recovery	1,107
Other	437
Total credits utilized	10,765

¹ Includes some military aid.

Total foreign credits utilized by foreign governments July 1, 1945, to Mar. 31, 1951

[In thousands of dollars]	
Agriculture Department:	
Occupied-areas commodity programs	214,353
Commerce Department: Maritime Administration (merchant ships)	229,001
Defense Department—Army Department:	
Surplus property	20,000
Natural-fibers revolving fund	54,336
Total	74,366

Economic Cooperation Administration:	
European recovery:	
Through Export-Import Bank	1,089,208
Deficiency - material projects:	
Dollar funds	7,709
Counterpart funds	10,121
Total	1,107,038
Export-Import Bank:	
Direct loans	2,665,137
Loans through agent banks	146,566
Total	2,811,703
General Services Administration:	
Surplus property	18,254
Reconstruction Finance Corporation:	
Loans	70,102
Occupied-areas commodity programs	14,760
Surplus property	1,965
Total	86,827
State Department:	
British loan	3,750,000
Lend-lease current credits	14,565
Lend-lease silver	54,484
Credit - agreement offsets to grants	1,256,326
Surplus property	1,064,757
Philippine funding	35,000
Total	6,174,732

Total foreign grants by agency and by program, July 1, 1945-March 31, 1951 (exclusive of military aid)

[In thousands of dollars]	
Agriculture Department:	
Donations of surplus	77,563
Foot-and-mouth disease eradication	81,487
Total	159,050
American Red Cross	10,435
Defense Department:	
Civilian supplies:	
Army and Air Force Departments	4,413,358
Navy Department	18,856
Army and Navy Departments	4,413
Refugee assistance	8,937
Relief in Korea	65,785
Total	4,504,349

Economic Cooperation Administration:	
Civilian supplies	172,333
European recovery:	
Dollar funds	8,421,830
Counterpart funds	56,605
Far Eastern (general area of China) aid:	
Dollar funds	191,685
Counterpart funds	3,658
Interim aid (Public Law 389)	555,744
Korean aid:	
Dollar funds	86,760
Counterpart funds	7,990
Post UNRRA (Public Law 84)	298,635
Total	11,795,240

Philippine War Damage Commission (private claims)	397,348
Reconstruction Finance Corporations:	
State Department:	
Chinese student assistance	3,861
¹ Less than \$100,000.	

State Department—Continued	
Institute of Inter-American Affairs.....	36,257
Philippine reconstruction and rehabilitation.....	125,701
Philippine rehabilitation: Surplus property.....	100,000
Technical assistance.....	19,884
Through international agencies:	
For refugees.....	230,829
For Palestine relief.....	40,450
For children.....	75,000
Total.....	631,982

Treasury Department:	
Chinese stabilization.....	119,594
Lend-lease.....	1,946,000
Civilian supplies.....	134,487
Total.....	2,200,081

United Nations Relief and Rehabilitation Administration.....	
Yugoslav aid.....	11,358
Total.....	20,305,556

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Office of Business Economics, Clearing Office for Foreign Transactions, published and unpublished tables.

British purchase in the United States with funds from the British loan

	Percentage of total	Amount
Food.....	23	\$415,000,000
Raw materials (including oil).....	26	470,000,000
Machinery.....	15	270,000,000
Ships.....	7	125,000,000
Tobacco.....	10	180,000,000
Films.....	4	70,000,000
Supplies for Germany.....	13	235,000,000
Other.....	2	35,000,000
Total.....	100	1,800,000,000

Sources: U. S. Congress, House Committee on Foreign Affairs. Foreign Policy for a Postwar Recovery Program. Hearings, 80th Cong., 2d sess. Washington, Government Printing Office, 1948; pt. 2, p. 1988. Williams, Francis, Was the British Loan Good Business? Nation's Business, vol. 37, March 1949, pp. 54, 55-59.

The \$960,000,000 spent by the United Kingdom in the rest of the Western Hemisphere was spent almost entirely for food, oil, and raw materials.

The \$620,000,000 spent of behalf of other sterling-area countries went mainly for cereals to enable India to fight the famine threatened (in 1948) by the failure of the rice crop, fertilizers for Egypt, and American cotton textiles for the colonies.

About \$400,000,000 remained when this compilation was made which was ultimately

spent in about the some proportions as the above listed items.

Type of commodities financed by the Export-Import Bank July 1948 through December 1950

Equipment:	
Machinery.....	\$280,975,000
Metals and manufactures (other than machinery).....	87,319,000
Industrial raw materials:	
Nonmetallic minerals.....	19,009,000
Chemicals and related products.....	9,917,000
Raw cotton.....	59,423,000
Textile fibers and manufactures.....	2,792,000
Inedible animal and vegetable products.....	4,224,000
Edible animal and vegetable products.....	4,040,000
Wood and paper.....	3,697,000
Other items:	
Miscellaneous.....	19,239,000
Ocean freight, forwarding charges, etc.....	5,187,000
Unallocated.....	70,000
Total.....	486,892,000

Source: Export-Import Bank of Washington. Seventh through eleventh semiannual reports to Congress, July 1948 through December 1950.

Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949—Mar. 31, 1951

[Thousands of dollars]

Commodity group	Total	Area of source																	
		United States		Canada		European countries (and overseas territories) participating in ERP							Other countries						
		Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand	Union of South Africa	Yugoslavia		
Grand total ¹	81,028																		
Commodity total.....	71,575	46,419	1,326	3,587	1,354	1,179	515	269	235	26	20,244	17,242	1,421	658	519	326	40	28	10
Food and agricultural commodities.....	42,423	37,558	1,326	2,137	1,354		515	269			1,402	397		486	519				
Industrial commodities.....	29,152	8,861		1,449		1,179			235	26	18,842	16,844	1,421	173		326	40	28	10
Technical services ²	2,028	1,806									202	202							
Ocean freight ³	7,425	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
COMMODITY DETAIL																			
Food, feed, and fertilizer.....	27,730	23,351	1,326	2,137	1,354		515	269			916	397		519					
Fertilizer.....	21,542	17,559	1,326	2,137	1,354		515	269			519			519					
Nitrogenous.....	17,056	14,375	1,326	1,354	1,354														
Phosphate.....	3,184	3,184																	
Potash.....	1,302						515	269			519			519					
Bread grains.....	4,671	4,671																	
Wheat flour.....	3,098	3,098																	
Wheat.....	1,572	1,572																	
Barley.....	907	907																	
Wheat and rye products, not elsewhere classified ⁴	397										397	397							
Whale oil and fish oils.....	213	213																	
Fuel.....	15,157	5,589		1,179		1,179					8,389	8,063				326			
Coal and related fuels.....	8,063										8,063	8,063							
Petroleum and products.....	7,093	5,589		1,179		1,179					326					326			
Raw materials and semifinished products.....	23,162	15,706		262					235	26	7,194	5,036	1,421	658			40	28	10
Raw cotton, except linters.....	14,002	14,002									2,180	751	1,421	8					
Fabricated basic textiles.....	2,443	263									1,628	207	1,421						
Cotton.....	1,845	217									552	544		8					
Other.....	598	46																	
Chemicals and related products.....	2,182	691		235					235		1,266	1,228							28
Medicinal and pharmaceutical preparations ⁴	829	187									642	642							
Pesticides.....	246	246																	
Industrial chemicals, except alcohol ⁴	108	85									23	23							
Other.....	999	173		235					235		591	563							28

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment.

² Including \$9 thousand of construction, mining, and conveying equipment shipped from Denmark.

³ Including \$20 thousand of Korean source.

⁴ Including expenditures made against authorizations for unclassified commodities and services in part and in total.

⁵ Source not available.

Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949—Mar. 31, 1951—Continued

[Thousands of dollars]

Commodity group	Total	Area of source															
		United States	Canada	European countries (and overseas territories) participating in ERP						Other countries							
				Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand
COMMODITY DETAIL—continued																	
Raw materials and semifinished products—Continued																	
Iron and steel mill materials and products, including ferro-alloys	1,955	698											1,258	1,258			
Nonmetallic minerals	1,423	10											1,413	1,413			
Vegetable fibers, manila or abaca	486												486		486		
Lumber and lumber manufactures	384												384	220	165		
Nonferrous metals and products	250	7		26									217	167		40	10
Copper	154												154	154			
Tin	58			18									40			40	
Lead	13												13	13			
Zinc	7	7															
Other	19			9									9				10
Pulp and paper	36	36											10				
Machinery and vehicles	5,244	1,562		9									3,674	3,674			
Machinery and equipment	1,644	761		9									874	874			
Construction, mining, and conveying equipment	352	205		7	9								139	139			
Electrical apparatus, except generators and motors	241												241	241			
Engines and turbines	238	238															
Generators and motors	155	150											5	5			
Metalworking machinery, except machine tools	21	21															
Machine tools	1												1	1			
Industrial machinery, not elsewhere classified	598	110											488	488			
Tractors, all types	38	38															
Motor vehicles, engines, and parts	1,511	279											1,232	1,232			
Other transportation equipment	2,089	521											1,567	1,567			
Railroad transportation equipment and parts	2,079	511											1,567	1,567			
Vessels and equipment	10	10															
Miscellaneous and unclassified	282	212											71	71			
Miscellaneous inedible vegetable products	205	205															
Miscellaneous industrial commodities	78	7											71	71			
Miscellaneous rubber products and rubber scrap	70												70	70			
Scientific and professional instruments	5	4											1	1			
Other	3	3															

⁶ Including shipments made against authorizations for unclassified commodities in part and in total.

⁷ Source country is Denmark.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948—Mar. 31, 1951

[Millions of dollars]

Commodity group	Total	Country of destination															
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxembourg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal	Iceland
Grand total ¹	9,440.7	2,620.5	1,928.3	1,022.9	926.4	859.4	495.8	438.7	333.5	215.1	187.9	131.3	93.4	79.1	26.4	26.4	13.1
Commodity total	8,725.9	2,529.7	1,605.8	948.1	821.0	835.5	471.9	398.7	303.1	211.6	185.5	129.7	93.4	71.5	22.1	25.2	13.1
Food and agricultural commodities	4,510.3	1,356.5	561.9	744.1	459.8	396.0	167.5	291.1	201.3	100.6	88.5	94.1	2.1	12.8	11.0	17.1	5.8
Industrial commodities	4,218.6	1,173.3	1,104.6	205.1	361.9	439.6	304.4	107.6	101.8	111.1	97.0	35.6	91.4	58.7	11.0	8.2	7.4
Technical services	24.3	7.5	4.4	.3	3.8	.7	.1		3.6		1.1			2.7			
Ship disbursements	7.4	2.0	1.6			2.5	1.0		.1		.1						
European Payments Union	42.6	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Ocean freight	640.4	81.2	256.4	74.4	101.6	20.6	22.8	40.0	26.7	3.5	(**)	1.2	1.6		4.8	4.4	1.2

See footnotes at end of table.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948—Mar. 31, 1951—Continued

[Millions of dollars]

Commodity group	Total	Country of destination															
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxemburg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal	Iceland
COMMODITY DETAIL																	
Food, feed, and fertilizer.....	2,877.0	865.1	235.7	439.2	220.2	288.2	144.1	244.2	190.1	69.2	71.7	62.7		12.8	10.9	17.1	5.7
Bread grains.....	1,457.6	539.7	79.6	123.0	193.4	138.4	53.3	120.9	112.7	3.5	36.0	18.4		12.8	7.0	17.1	1.7
Coarse grains.....	345.6		42.1	144.8	2.8	38.4	5.6	31.4	2.9	19.7	16.8	41.4					
Fats and oils.....	330.0	9.3	64.9	87.6	15.5	43.3	22.8	53.5	5.4	15.5	8.9	.2			2.5		.7
Sugar and related products.....	265.0	134.4	12.5	31.9		29.7	14.7	12.5	25.6		2.8	.6					.3
Meat.....	123.0	75.5	1.1	18.5		4.4	9.8	4.4	8.8	.2		.2				.1	
Dairy products.....	112.8	69.0	11.8	.2		1.3	13.5	.4	15.4						1.2		
Feeds and fodder.....	52.9	.1	5.5	2.5		5.2		2.4		27.8	7.3						2.1
Fertilizer.....	43.2	1.5	12.8	5.6	1.7	6.5	.7	6.5	7.4								.5
Fruits and nuts, except peanuts.....	33.7	14.1		5.9			12.2	.8		.3		.4					
Rice.....	28.5		1.6	.5		18.7	1.4	1.7	4.1	.2							.2
Vegetables and preparations.....	18.8			4.6	1.9		5.6	.2	4.9	1.7							
Coffee.....	18.3		.1	11.8		.2	1.1	3.0	2.0			.1					.1
Eggs.....	15.9	10.9		2.0			.3	2.7									
Fish and fish products, excluding fish oil and meal.....	15.8	10.8			3.0		.9		.4			.7					
Miscellaneous grain preparations.....	6.5		1.7	.1	.9	.4	.2	2.1	.4	.2		.5					
Seeds, other than oilseeds.....	5.7		1.5		.9	.8	.1	1.5	.1	.2		.4					.1
Miscellaneous edible agricultural products.....	3.8		.4	.2	.1	1.0	2.0								.1		
Fuel.....	1,311.0	309.6	473.6	34.4	152.9	70.5	59.0	27.1	21.0	50.5	27.6	12.0	53.6	2.5	9.3	6.2	1.1
Petroleum and products.....	1,035.0	309.6	316.3	34.4	81.1	54.2	56.9	2.9	20.4	47.6	27.6	12.0	53.6	2.5	8.8	6.2	1.1
Coal and related fuels.....	275.7		157.3		71.8	16.3	2.1	24.2	.5	2.9					.6		
Raw materials and semifinished products.....	2,867.8	965.7	575.2	380.2	307.5	302.9	88.5	75.7	39.8	42.5	50.2	12.9	19.8	3.8	1.4	.1	1.6
Cotton.....	1,158.4	266.0	294.7	219.5	234.8	77.8	6.7	31.5	9.8	13.7	1.7	.2	2.1				
Nonferrous metals and products.....	581.1	325.4	121.3	31.1	29.8	43.9	.7	8.0	1.6	11.6	4.7		2.4	.4	.2		.1
Iron and steel mill materials and products, including ferro-alloys.....	240.2	47.6	38.6	2.8	15.6	59.9	12.7	5.8	8.7	11.5	27.9	2.1	4.8	1.6	.3		.3
Chemicals and related products.....	227.4	60.4	61.4	16.0	13.5	20.5	25.1	12.0	9.5	1.2	2.5	.4	3.6	.9	.3	.1	.1
Metallic ores and concentrates.....	112.8	54.8	14.1	15.7	.4	5.2	18.7	1.7			1.9		.4				
Lumber and lumber manufactures.....	108.5	74.8	4.5	5.1	1.0	6.5	5.9	1.0	4.2	.2	.8	3.3		.7	.5		
Fabricated basic textiles.....	106.2	7.4	4.6	6.2	5.3	64.8	3.3	.8	.6	.6	7.7	2.1	2.2				.6
Pulp and paper.....	99.2	72.5	4.8	13.9	.1	.8	2.4		.4			3.9					.4
Nonmetallic minerals.....	87.7	40.6	18.2	4.3	.3	5.1	10.0	2.0	.7	1.0	.8	.2	4.4	.1			
Hides, skins, and leather.....	75.4	2.8	.3	41.1	5.3	11.1	2.2	7.8	4.4		.3	.7					
Fibers, except unmanufactured cotton and wool.....	33.7	5.4	12.4	7.9		2.9	.6	.6		2.4	1.5						
Naval stores.....	23.2	8.0		8.9	1.4	3.7	.3	.1		.3	.3	.1			.1		
Wool, unmanufactured.....	12.8			7.6				5.2									
Miscellaneous fiber products.....	.9		.2			.7											
Machinery and vehicles.....	1,202.4	169.1	347.5	28.7	131.8	142.5	157.4	40.6	44.3	32.5	21.5	9.7	19.2	50.9	.3	1.8	4.5
Machinery and equipment.....	895.3	164.9	256.2	22.8	127.3	72.2	63.8	38.8	31.9	25.6	19.1	6.1	16.2	45.4	.3	1.3	3.3
Motor vehicles, engines, and parts.....	187.8	3.1	15.6	5.2	.1	42.6	89.6	1.1	11.6	5.2	1.2	3.5	3.0	5.3		.4	.5
Aircraft, engines, and parts.....	74.3		39.0		4.1	25.4	3.4		.5	.9	.9		.1				
Other transportation equipment.....	45.0	1.1	36.7	.8	.2	2.3	.7	.7	.3	.9	.4			.2	.1	.1	.6
Miscellaneous and unclassified.....	467.8	220.2	33.8	65.5	8.6	31.4	22.9	11.1	8.0	16.8	14.4	32.3	.9	1.5	.1		.2
Tobacco.....	387.5	209.3	15.9	55.8	3.4	10.6	15.2	9.1		14.8	13.2	31.1					
Miscellaneous industrial commodities.....	65.6	8.2	15.4	5.7	5.9	8.1	7.1	1.7	6.5	1.8	1.1	1.2	.9	1.5	.1		.2
Miscellaneous inedible animal and vegetable products.....	17.6	2.6	3.2	5.2		3.8	.6	.4	1.4	.2	.1	.1					
Unclassified commodity refunds.....	-2.9		-7	-1.2	-7	-1		-1				-1					

1 ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment. Including \$259,243 paid shipments to France and \$1,050,837 to the United Kingdom for overseas territory development. Including dollar transfers in connection with European Payments Union, \$42.6 million for the EPU capital fund.

2 Including \$2.9 million for unclassified commodity refunds.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts. Overseas territories are reported with recipient mother countries.

Source: Office of the Comptroller.

Paid shipments by commodity group and country of destination—cumulative, June 5, 1950–Mar. 31, 1951

[Thousands of dollars]

Commodity group	Total	Country of destination						Far East inventory and other ²
		Formosa (Taiwan)	India ¹	Associated States of Indochina	Thailand	Burma	Indonesian Republic	
Grand total.....	21,052	16,567	3,078	983	165	117	95	49
Commodity total.....	19,008	14,814	3,078	864	132	81	40	
Food and agricultural commodities.....	17,314	13,731	3,078	504	1			
Industrial commodities.....	1,694	1,083		380	131	81	40	
Technical services.....	254	117		18	6	15	50	49
Technical assistance.....	24			1	16	8		
Ocean freight.....	1,690	1,560		100	11	14	5	
Operations of Joint Commission on Rural Reconstruction.....	76	76						
COMMODITY DETAIL								
Food, feed, and fertilizer.....	13,043	9,852	3,078	111	1			
Fats and oils.....	5,157	5,157						
Soybeans.....	2,547	2,547						
Peanuts.....	1,558	1,558						
Tallow.....	841	841						
Soybean oil.....	211	211						
Grain sorghums.....	3,078		3,078					
Bread grains.....	2,853	2,853						
Wheat flour.....	2,287	2,287						
Wheat.....	566	566						
Fertilizer.....	1,843	1,843			1			
Nitrogen.....	1,398	1,398						
Other.....	445	443			1			
Dairy products.....	111			111				
Fuel: Petroleum and products.....	1,031	³ 952		⁴ 79				
Raw materials and semifinished products.....	4,339	3,709		475	47	69	39	
Raw cotton, except linters.....	3,971	3,578		393				
Chemicals and related products.....	235			80	47	69	39	
Medicinal and pharmaceutical preparations.....	123			30	6	69	18	
Pesticides.....	112			49	42		21	
Nonmetallic minerals.....	66	66						
Lumber and lumber manufactures.....	65	65						
Pulp and paper.....	2			2				
Machinery and vehicles.....	275			180	82	11	1	
Machinery and equipment.....	165			116	49		1	
Construction, mining, and conveying equipment.....	159			110	49			
Electrical apparatus, except generators and motors.....	2			2				
Agricultural machinery, except tractors.....	5			4			1	
Motor vehicles, engines, and parts.....	110			65	33	11		
Miscellaneous and unclassified.....	⁵ 320	301		19	1			
Tobacco.....	301	301						
Miscellaneous industrial commodities.....	20			19	1			
Scientific and professional instruments.....	13			12	1			
Miscellaneous industrial materials and manufactured commodities.....	6			6				

¹ ECA dollars have been obligated to supplement \$13.4 million supplied by the Indian Government to obtain surplus United States grain sorghums through the Commodity Credit Corporation. The Indian Government is meeting the major part of the purchase price with its own dollars. The ECA financing was authorized on a grant basis from funds appropriated to ECA for "the general area of China." The difference between the market price of the grain at the time of delivery and the sum of the amount paid by the Indian Government and the ECA contribution, will be financed by the U. S. Department of Agriculture.

² Expenditures for technical personnel recruitment and training program—public health project.

³ Including \$64,000 from Bahrain.

⁴ Source of petroleum is Saudi Arabia and Bahrain; all other commodities are of United States source.

⁵ Including \$477 scientific and professional instruments shipped to Indonesian Republic.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Source: Office of the Controller.

Mr. Chairman, I sincerely believe that if our Nation is to maintain its solvency the time has arrived to make a drastic cut in our foreign expenditures. The economy of our country will not continue to stand this excessive burden and the tax resources of the Nation have reached the saturation point where increased taxes will bring in less tax dollars.

By this program we have foisted upon the American people the burden of inflation and high prices which is preventing wage earners and those depending on fixed incomes, from receiving a minimum of the necessities of life. The aged with meager allowances from old-age assistance, pension grants or fixed dollar income, are threatened with actual starvation in many cases. The time has arrived when we must give consideration to our own people here in

the United States, reduce the tax burden, eliminate unnecessary gifts and loans to foreign countries, and insist that such countries take up the burden of their own defense and rehabilitation with reduced aid from this country. For these reasons I cannot, in justice to American taxpayers, vote for another gift for foreign aid approximating \$8,000,000,000.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I certainly would not come before the Members of this House and try to influence them to do anything or to vote any way upon the basis of my own personal merit or upon my own personal background or experience or knowledge. Today I am going to utilize my time, not to give you what I personally think

about this bill, although I will say that I am for it 100 percent.

I want to compliment the chairman of the committee on the fine, businesslike, and impartial way in which he handled this bill in the hearings, giving all the time and all the fairness that was possible to every witness. I want to compliment the staff and say to the Members of this House that there has never been a staff that has worked harder or put in more hours on a bill than has been put in on this one. They have worked until 2 or 3 o'clock in the morning for a week or so before the bill was reported, and prior to that time they worked late every night as well as every day. We of the committee, who know how much it takes out of a person to work those long hours, certainly appreciate the work they have done on this bill.

I want to bring to you today some of the excerpts from some of the testimony of men whose names are known not only to the people of the United States, but they are known to the people who love freedom—yes, and to the people who hate freedom throughout the world.

Gen. George Marshall, Secretary of Defense, who has devoted a long and valuable lifetime of service to his country, among other things, said the bill is necessary—

To strengthen the underdeveloped areas of extremely low standards of living, low standards of literacy, poor conditions of sanitation and health, and high death rates. There a large part of the world's natural resources are found and there the Communists are trying to exploit the impoverished situation to their advantage. It is the tradition of the United States to aid the aspirations of people to improve their lot. This is the time when American self-interest and the welfare of the peoples in the underdeveloped areas become a common cause which can be advanced by a judicious distribution of our economic assistance.

Foreign aid will represent about 15 percent of our total defense budget. We consider the investment necessary because we believe that it will strengthen the security of America and of the free nations.

General Gruenther, chief of staff of SHAPE, had this to say:

This question really falls into two parts: (a) Is economic strength in Europe necessary to the successful completion of the military program; and (b) is United States economic aid necessary to the maintenance of this basic economic strength?

The answer to both questions must clearly be "Yes," for this intensive build-up period in which we are now engaged.

In Europe aggression by the Soviet Union has taken all forms except that of open invasion. The Soviet has resorted to propaganda attempts to capture labor unions, attempts to stop United States arms shipments, demonstrations, and so forth. Together with the threat of actual invasion, these actions have had as their sole purpose the undermining of the morale and the will to live independently of the European population. Reinforced by the existence of the mobilized Communist forces in Eastern Europe, they have tended to create an atmosphere of insecurity and uncertainty which in itself prevents the full realization of the economic potential of Western Europe. We must combat these Soviet offensives just as we combated the open aggression in Korea. Our ultimate aim is to create the kind of economic strength which breeds such great confidence and security that the Soviet offensives cannot succeed.

In evaluating this aspect of our job in Europe a realistic and responsible United States observer would have to conclude that sufficient economic strength does not now exist to support the needs of the situation. Although European economic strength is now much greater than it was in, say 1947 (when Europe nearly succumbed to internal aggressions) it is, nevertheless, not sufficient to carry unaided the whole burden of rearmament and also permit continued resistance to the Soviet attack from within.

I depart from my remarks at this point to say that while the gentleman from Wisconsin [Mr. SMITH] a member of our committee, gave you figures to show that the Communist vote had not appreciably changed in the last 3 years in France and Italy, I want to say to you that the rate of growth before 1947 in those countries was startling, and that our eco-

omic aid did stop that growth and we have held it and in some cases reduced it, and we have solved some of the conditions which would have accelerated that growth, I am morally certain; a growth which would have happened if we had not stepped in with Marshall plan aid.

Now, William C. Batt, who was our United States representative on the NATO Defense Production Board, and a famous American businessman, cited as an example, when he was before our committee, that Belgium can make 70 percent of the minesweepers at its own expense if the United States furnishes the other 30 percent which the Belgians cannot make. Thus he said that if the 30 percent would be eliminated, the 70 percent which they can perform would be lost to the common effort of the free nations. Representatives of the United States Chamber of Commerce came before us and, testifying on the subject of foreign raw materials and the necessity of having some of those materials for our own defense needs, brought out this: A fact not fully realized is that 73 percent of the raw materials imported by the United States come from underdeveloped countries, and that a 50 percent increase in these imports during the next 2 years will be necessitated by expansion of American industry to meet defense needs. Technologically backward people living under appalling conditions of poverty, disease, and illiteracy cannot be expected to produce unaided these additional materials needed by the United States. So we see that in helping these people to start their economic machinery in motion we are not only helping them but we are helping ourselves.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. JONAS. I have listened attentively to all the speakers including the distinguished gentleman from California, but I wish I could have an answer to this question my constituents daily propound to me. They want to know how we are going to finance this gigantic program of foreign aid. They are in a quandary about this situation. They are anxious to know whether we have already levied sufficient taxes in the tax bill we passed to cover the cost of this over-all plan we are talking about, or, if we vote to adopt what is proposed in this bill, will it require additional legislation of this House calling for additional taxes? That is the question with which I am confronted.

Mr. HOLIFIELD. My answer to the gentleman would be this, that when the security of the Nation is at stake we cannot allow the very laudable objective of a balanced budget to stand between ourselves and our Nation's security. If it becomes necessary for us to unbalance the budget and project forward our debt to a certain extent at this critical time in the world's history, I for one would do it, just as gladly as I would go into debt for a major operation for myself or one of the members of my family.

I appreciate what the gentleman's constituents want to know. Mine want

to know the same thing. But I think this is a time in the history of the world when we cannot put a price on liberty and freedom with the threat of Soviet imperialism and aggression standing on the border of every free nation.

Mr. JONAS. I agree with the gentleman both from an oratorical and an emotional standpoint, but I still do not have an answer to my question. Did anybody appear before the gentleman's committee who gave testimony or issued a statement pointing out what we have to do to raise this additional money, or is it conceded now that if we do pass this bill in its present form we have to raise money by additional taxation? We might as well be frank with the people.

Mr. HOLIFIELD. Did the gentleman vote for the \$56,000,000,000 defense bill the other day?

Mr. JONAS. I did.

Mr. HOLIFIELD. Then the gentleman should have sought the answer to his question when he voted for the \$56,000,000,000 for national defense. I think he would come to the same conclusion if he understood the principles that are involved in this \$8,000,000,000 bill, in round numbers, as he came to on the \$56,000,000,000 bill, because I earnestly say that this expenditure is just as vital to the defense of the freedom of the world as the \$56,000,000,000. Defense of freedom does not stop at the borders of the United States in this world of high-speed jet planes and atomic bombs, it is all over the world.

Mr. JONAS. I am not questioning that, I am questioning how we are going to raise the money.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In answer to the gentleman's inquiry, I think that this is included in the budget. That is my distinct recollection. We passed a tax bill which is in the Senate. I think that if an adequate tax bill is passed in the Senate and ultimately becomes law, then all these items are involved in the estimates and in the budget and there will be a balancing of the budget. The gentleman will remember that it was first proposed that we raise \$10,000,000,000 in the tax bill. I think we passed a bill calling for about \$7,200,000,000 additional taxes. With the savings that can be made, we would be pretty close to a balancing of the budget if a tax bill is passed at around \$7,500,000,000. But the items here are included in the budget, and that is all made up in connection with the tax bill, which has already passed this body.

Mr. HOLIFIELD. I thank the gentleman for his contribution. I would say further, it is not the province of the Committee on Foreign Affairs to raise the taxes. Our province is to ascertain the need from the standpoint of foreign relations with other nations of the world and to supply that need in accordance with the best interest of our country. Once having found that need, and I assure you we went through the proposals which were made with a fine-tooth comb, and cut as much off the

original request as we thought it safe to cut, and having fulfilled the jurisdiction of our committee, then it becomes the obligation of the Committee on Ways and Means of the House, of course, to raise the money—not only for that, but for the \$56,000,000,000 which we all voted for the other day, with, I believe, the exception of two votes in the negative.

Mr. FLOOD. Will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FLOOD. I would like to make this observation in the middle of the gentleman's remarks. A few minutes ago, the distinguished gentleman from Wisconsin stated that the writer, Pearl Buck, said that America has not a friend in the world. I have just returned from a rather extended tour of the Far East, where I visited India, Pakistan, Indonesia, and all that area. While that may be true, the lady also said in the same article to which the gentleman referred, that as long as the United States of America used food as a political club over the heads of anybody any place in the world, you will have no friends, and you are not going to convert them.

Mr. HOLIFIELD. I thank the gentleman.

In conclusion, Mr. Chairman, let me again emphasize the fact that this bill is just as necessary for the defense of world freedom against Soviet domination as the \$56,000,000,000 defense bill which was passed in the House a few days ago.

The defense of freedom is an obligation of all free nations. No one nation can do this job alone. It will take the strength in manpower and resources of all of the free nations to win this fight. I earnestly believe that this bill will help to strengthen other friendly nations so that we will not have to shoulder an impossible task unaided and alone.

While great expense is involved, in my opinion long-range economy is really our attainable goal. If we can prevent the outbreak of world war III by strengthening the free-world nations so that an aggressor will not dare to strike, then we will save the hundreds of billions which an atomic war would cause to be spent. And, of course, no one could begin to estimate the value of the human lives which we would save if war is prevented.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JUDD. I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, H. R. 5113—which sets up the Mutual Security Administration—virtually destroys the effectiveness of the Foreign Service of the Department of State, a service which it has taken the best brains and the most patriotic hearts of this Republic 163 years to build.

By making the administrator of this superspending superagency an officer of Cabinet rank, he is given the same rank as our Secretary of State.

Foreign representatives of this new department will stand on a par with United States chiefs of missions everywhere in the world. Let me underline the real peril—the foreign representatives of the new agency would have power to give

away money: our chiefs of missions would not. There will be no question in the practical minds of those who are spending American taxes as officers of foreign governments as to which American official is the most important.

In other words, we are called upon to witness the sunset of American foreign policy.

It is poor logic to strike at Acheson by blasting the Foreign Service—an institution which was over a century old when Acheson was born. It is lax reasoning to show distrust of the State Department by tearing it down, and substituting, in its place, the confused, flapjacking of agencies designed to create domestic harm and international chaos.

On the floor of the House, on July 23, 1951, I said that point 4, ECA, and other flapjack agencies had made our chiefs of mission third men on the totem pole abroad.

Let us consider carefully before relegating these public servants of the Foreign Service to fifth position on the same totem pole: to the thrusting of these Americans into the outer darkness of complete oblivion.

When we read the bill under the 5-minute rule, I will offer an amendment to somewhat improve and safeguard, in some humble way, our Foreign Service. I would be glad to consult with the distinguished gentleman of the committee and other members of the Foreign Affairs Committee on that amendment before we get to that point.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. RICHARDS. I want to say to the gentleman and to the House that there is no one in the House who knows more about our Foreign Service set-up than does the gentleman from Nebraska. He has made a study of that phase of governmental activity and he has always been nonpartisan when it came to the functions of our Foreign Service abroad. The gentleman raised the question of the danger of this new Administrator. I want to call to the attention of the gentleman that the present ECA Administrator has the very same power in a great many respects as this new Administrator over the whole set-up.

Mr. STEFAN. With this exception, that a year ago, after my objection and the objection of the gentleman himself and others, the President of the United States put out an order insisting on the coordinating of the services abroad, and clearing all of these subjects through the Chief of Mission. In this bill there is no such protection.

Mr. RICHARDS. In this bill that very same procedure is provided.

Mr. STEFAN. No. It is not in here. I have read the bill five times, at least, and it is not in there. That is what my amendment will do.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I do not like to get in the middle between the gentleman from South Carolina [Mr. RICHARDS] and the gentleman from Nebraska [Mr. STEFAN].

They are both good friends of mine. I can say that the gentleman from Nebraska [Mr. STEFAN] is certainly one of our authorities on the Foreign Service. I serve on the Appropriations Subcommittee for the State Department with him, and have done so for several years. I would like to say this: That at a conference in London on July 3 and at a dinner that evening, there were in attendance three American ambassadors and five ministers, all accredited to London. It looked like a Graustarkian musical comedy.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the distinguished majority leader [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, it was my privilege on April 2, to introduce H. R. 3458 to authorize a \$150,000,000 grant to aid Israel in the relief and resettlement of refugees. The gentleman from Massachusetts [Mr. MARTIN] and I introduced companion bills.

My interest in this cause goes back to 1919 when, as a member of the Massachusetts Legislature, I supported the first legislative declaration calling for the restoration of the Jewish commonwealth in Palestine.

World War I had left in its wake a generation of homeless and stateless Jews, human beings, who appealed to world statesmanship for the right to live in dignity and freedom in their own homeland. We understood the compelling urgency of their plea and we were convinced that the Jewish people should have a state of their own, which would be a haven for the persecuted and the scene for the revival and expression of their own culture and civilization.

The appeasement of the 1930's, the spread of Hitlerism, and the outbreak of World War II, all combined to defeat our hopes and to condemn 6,000,000 Jews—one-third of all the Jewish people—to death in Hitler's gas chambers and crematoria—a dastardly and indescribably inhuman deed.

Stunned by this barbarism, the world seemed impotent to halt the slaughter, and when the war finally ended, we remained shamefully impotent to help the handful of survivors.

For some 3 years, homeless Jews remained in displaced-persons camps in Germany and Austria—the graveyard of their kin. And behind the iron curtain, Jews who had miraculously survived annihilation by the Nazis were now being liquidated by expropriation by the Communists.

This black chapter of disaster came to a sudden and dramatic end on May 14, 1948, when the State of Israel was proclaimed. On that day, even as the new democracy was invaded, it threw open its doors and the refugees began to come home after an exile of 2,000 years.

Mr. Speaker, I am proud that this House had something to do with this regeneration of a broken people. In 1944, the Democratic Party incorporated in its platform a plank favoring the establishment of a free and independent Jewish commonwealth in Palestine. I was chairman of the platform committee in

the 1944 Democratic National Convention. We called for the reopening of Palestine in 1945. Our Government advocated the establishment of the Jewish state at the United Nations. The President of the United States was the first Chief of State to recognize the new Republic.

Our hopes were justified. The gates we helped to open have remained open. In the first 36 months of statehood, Israel gave sanctuary to 600,000 immigrants, from Europe and the Moslem world, and made plans to welcome another 600,000 in the next 3 years.

Israel's brief but dramatic history echoes the struggles of our own founding fathers to establish a free nation in the face of overwhelming military and economic odds. Just as the heroes of Concord and Lexington were pioneers in the wilderness of a new world, so the people of Israel are pioneers in the Old World, bringing the democratic way of life to a stagnant area, blighted by centuries of feudalism. Like America, Israel has been a sanctuary and a haven for the homeless and the oppressed. And like America, Israel stands ready to fight for the defense of freedom. Our two countries share the same beliefs, we are united in upholding the same principle, the freedom of the individual.

It is to the credit of Israel that she has been able to finance this huge immigration by her own sacrifices and her exertions, and her readiness to mortgage her future. She has been aided by the unprecedented philanthropy of the American Jewish community, who were concerned to see their kinsmen reconstituted in their own land after centuries of discrimination and persecution in the Old World. But the task has been far too heavy for a people so few, and the state formally appealed to us for financial assistance in March.

I introduced the legislation to authorize aid because I have been convinced that it is in America's interest to see to it that this little state is enabled to carry its immigration program to a successful conclusion. It is too much to expect the people of Israel to carry the entire burden themselves. No state in history has doubled its population in 3 years, tripled it in 6. It is extraordinary that so much has been done without outside governmental aids.

Respect for humanitarian considerations argues for American economic aid to this young republic. But self-interest also casts an affirmative vote. Every dispatch from the Near East within recent months warns of imminent conflict in the area. We receive reports of economic and political unrest, and the spread of Communist and antiwestern propaganda. It is imperative that we do all we can to consolidate our own position by strengthening those states which are resolved, like us, to be faithful and steadfast in the defense of the free world.

Since the introduction of my bill, the President has come forward with a proposal to include the Near East in our foreign assistance program. The amount that is recommended is modest in comparison with what we have done and are continuing to do in other parts

of the world, and in the light of the needs and perils of the area. Since that program was first announced, tension in the Near East has mounted and the Committee on Foreign Affairs has wisely recommended a larger amount for the Near East. In my view, the committee has proposed an equitable formula. Aside from recommending economic assistance to small nations of the Near East, the committee has earmarked \$50,000,000 for the resettlement of the Arab refugees and \$50,000,000 for the relief and resettlement of the refugees who have been coming into Israel. This is but a small fraction of the total cost. Israel estimates that her relief and resettlement program for 1 year costs approximately \$500,000,000.

The proposals of the House committee are commended by their realism, their equity, their concern for a major humanitarian problem—the resettlement of the homeless. Were we not compelled to devote so much of our substance to military and defense needs, I am sure that we would have increased the amount for economic and refugee aid in this underdeveloped region. I am frank in stating a further increase is justified, or further appropriations in the near future. And yet, in a very real way, this allocation for resettlement must be considered as a sound and effective contribution to our defense program. The resettlement of the Arab refugees will go a long way to end tension and bitterness in the area and to strengthen the economies of the Arab States. The resettlement of the Jewish refugees will greatly stimulate the industrial and agricultural output of the new State, and enhance its potential contribution, in manpower and matériel, to the defense of the Near East. Israel can be relied upon to play a major role in that cause. The Near East is in danger. It is the soft, undefended, exposed flank of Europe. Its very weakness is an invitation to attack. We must be aware of the dangers which menace an area so rich in resources, so strategic in location. The Near East may be next on the Soviet timetable. We must strengthen its outer defense, we must toughen its inner resistance. To do so is to promote the welfare and security of our own country and our own way of life. The recommendations of the committee in this area should be approved by the House. I urge such action.

Mr. RICHARDS. Mr. Chairman, I yield 8 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, the objective of the Mutual Security Act of 1951 is to give realistic expression and meaning to the foreign policy of the United States. Our objective now, as it always has been, is the establishment of a just peace. That objective can only be obtained by the collective efforts of the United States and the nations of the free world. The United States recognizes its responsibility as the leader of the free world. Thus we offer this mutual security program for 1952 as concrete evidence of our readiness to exercise that leadership.

The 1952 program is part of a long-range plan with definite emergency po-

tentiality which will enable General Eisenhower to do his job in building collective balanced military forces in Europe as a deterrent to Soviet aggression. Further, the plan will help bring about conditions in other areas of the world without which no area can be at peace.

Those who oppose this plan, while they may accept the objective, have two alternatives: First, declare war on Russia and her satellite nations; second, boost taxes and military appropriations that will far exceed what this bill calls for. Not to go through with this program would invite global war III. To refuse to assist any nation and to return to an isolation policy and await our turn to be attacked would probably mean the end of our friends as well as ourselves. This should not be the policy of a world power—a world power which has assumed and must continue to assume the leadership of the free world. This should not be the policy of a nation in its own self-interest. The mutual security program is our policy in our own self-interest. It is fundamentally and principally that. The security of the United States and the security of the free world are interdependent. The United States, geographically, economically, and politically, is more capable of survival alone than any other nation. But, for how long could it survive if the rest of the world were in the orbit of Russian domination? Does it make sense to abandon Europe or Asia or the Near East or Latin America to Soviet imperialism when we consider the strategic importance and economic value of these areas to the United States? Where would we get our critical materials? How could we meet the combined industrial potential of the Soviet Union and an occupied Europe? These are questions we must ask in our own fundamental self-interest. This is a question of survival, not of give-away programs.

The total cost of our defense is large. No one with any respect for the dollar—much less billions of dollars—can deny that. Even for a country such as ours, with our annual national production now well over \$300,000,000,000, it is a figure of importance. Congress appropriated \$56,000,000,000 for domestic defense. Today we authorize \$7,848,750,000 for foreign aid. These two figures interlock. The purpose of each is the security of the United States. The one builds up the other. The purpose of each is the security of the United States—security for American lives and homes against attack and the security of our rights and liberties as law abiding members of the world community.

What price freedom? The question is—are life and freedom worth the price? There is only one answer for Americans. The trouble is that too few Americans are fully aware of the situation, of the terrible danger that today threatens us and all free peoples. It is hard for most of us, looking out over our peaceful fields, our peaceful streets, to realize just how deadly serious is the danger we face. It was hard for us a few years back—up to, in fact, the morning of December 7, 1941—to realize how deeply we were involved in what was taking place in other parts of the world. Pearl Harbor

shocked us into awareness. We paid an awful price for the lesson, a price in blood, tears, and sweat as well as in dollars. In the security program now before us, both domestic and foreign, the United States seeks to avert another and a more ghastly Pearl Harbor. It seeks to avert world war III by rebuilding the free world, militarily, economically, and, I pray, morally. The total cost is staggering in money, lives, and disrupted homes. But, as Thomas Paine once said:

Heaven knows how to put a price on her treasures, and it would have been strange indeed if she had undervalued so precious a commodity as freedom.

So, Mr. Chairman, ladies and gentlemen, the job ahead is a big one, and it will require a wise and efficient administration. The wrong type of administration of this program could well wreck it.

TITLE V—ORGANIZATION AND ADMINISTRATION FOR THIS FOREIGN AID ADMINISTRATOR

Since the Congress, in the course of legislative history, has created many governmental agencies, too often the emphasis stressed by the Congress viewpoint has been directed to the subject matter of the law without proper accent on the framework of administration.

The Committee on Organization of the Executive Branch of the Government, in their reports to the Congress on reorganization, bore down very heavily on the structural defects in each executive agency. Congress, in the past, has centered accountability and responsibility in the secretaries of the various departments and agency heads. However, this has not always been accompanied by commensurate authority for the objectives for which the legislation was enacted.

Today, we consider the mutual security bill in this respect and we should not be laggard in applying the studies made for economy, efficiency, or the modern techniques and practices of sound business. It would be timely to keep in mind that when the Mutual Security Administrator is before the other body for confirmation, the membership as well as the Administrator will be very conscious of his degree of responsibility and accountability. It is only after he has entered upon his official duties and is engaged in the task for which he has been named that the degree of authority required will be made clear.

We on the Foreign Affairs Committee are going to watch the carrying out of this program by the new Administrator, and we will do so for the benefit of the House. Section 616 of the bill before us provides, in accordance with the Legislative Reorganization Act of 1946, that the committee will oversee the performance by the executive branch of this program in the interest of an efficient and economical administration. The task is great. I feel we have set up a new organization in this bill which will measure up to its heavy responsibilities. But we in the Congress must measure up to ours.

Mr. Chairman, I have been asked many questions on the mutual security program. I have set down some of

these, together with the answers which occur to me.

First. Why should the United States give aid to the entire free world?

Answer. To strengthen the will and capacity of all our associates outside the iron curtain so as to enable them to accomplish that which is required of them in pursuit of the security interests that we have in common with them.

Second. Must we give both economic and military aid, why not just military aid?

Answer. Security requires not only armed forces and capacity to produce them but also economic strength and stability in our associate nations. Without economic strength, they will fall under internal Soviet subversion.

Third. Can we not sit down with Russia and work out our differences thus eliminating this terrible drain on our taxpayers and manpower?

Answer. In the 6 years since the war, Russia has clearly evidenced her policy of territorial domination and extension and lust for world domination. This has ranged from the blockade of Berlin to inspired insurrections in the Philippines and Malaya and full-scale hostilities in Greece and Indochina and Korea. We are always ready to negotiate. The U. S. S. R. has continually frustrated that readiness, however.

Fourth. Are not the United States, British, and French forces sufficient to cope with Russia and her satellites?

Answer. Russia has the most massive fully mobilized military machine in the world. In the west alone she has over 200 mobilized divisions with good weapons and air and naval support—in the east over 5,000,000 men actually under arms. Communism also has a well organized and effective apparatus for promoting internal disturbance, weakening morale, and impeding economic recovery and progress in the free nations of the world. This internal threat must be guarded against just as much as the external threat.

Fifth. Does not our possession of atomic weapons overcome Russian manpower in troops?

Answer. We definitely know that Russia has and can produce atomic explosions and with time our initial advantage will be overcome to a point where we can no longer rely on that advantage alone and must mobilize all our component of military strength on land, air, and sea.

Sixth. Why must the United States carry this whole load?

Answer. Our country has the greatest economic strength and largest potential military power in the world. But our civilization cannot be maintained if the rest of the world is split up, subjugated and organized against us by the Kremlin. Furthermore, we are not carrying the whole load. We are doing our share in mutual security according to our capabilities. Our friends are doing likewise.

Seventh. When will this financial burden end?

Answer. The Soviet threat is of indefinite duration. They may soon start all-out armed aggression or merely carry

on their aggressive tactics short of all-out war for several more years. We of the free countries must make our defense preparations now so that our military forces can be built up and maintained as long as is necessary, and at the same time we must grow in underlying economic strength. This can be done because the free nations have 75 percent of the world's industrial capacity and most of the world's raw materials. If we can stave off a war, the financial burden will be well worth the price.

Eighth. Can the United States economy withstand the impact of this great burden?

Answer. While our resources will be strained by this total effort, this security job can be done. It is estimated that if necessary the United States can stand an even greater load. World war III would strain our economy even more, and probably would destroy it.

EUROPE

Ninth. Why is the bulk of the aid going to England, France, and our allies in Europe?

Answer. A free Europe is vital to United States security. Next to ourselves it contains the greatest pool of skilled labor and industrial capacity. Its military potential is a cardinal factor in building free world strength to deter Soviet aggression. Soviet subjugation of Europe would have direct and far-reaching repercussions in Africa, the Near East, the Far East, and Latin America, in sum—the entire world. The Russian intentions to engulf Europe are plain—an insecure Western Europe means an insecure United States. This is one point on which General Eisenhower is very emphatic.

Tenth. Will Western Europe ever be able to support its share of the burden to maintain a free world?

Answer. Our military and economic assistance will enable Europe to soon independently assume its responsibilities in defending the North Atlantic area and the other parts of the world where European countries have special responsibilities. We must remember that after World War II most of Europe lay devastated—trade stagnant, industry idle, housing woefully inadequate, hunger widespread, governments weak and unstable. Revival of industry and commerce are prerequisite to a revival of strength and hope for the peoples of Europe. Our Mutual Security Program is designed for that very goal.

Eleventh. Has our previous assistance to Europe such as the Marshall plan shown that it is aiding Europe in restoring its economies?

Answer. As a result of our assistance, most free European nations are producing at above 1939 levels and trade and financial stability have been restored. In several countries the Marshall plan goal has been reached 2 years ahead of schedule. Broadly, it can be said that the European recovery program is a year ahead of schedule. But now free Europe has another burden to carry—rearmament.

Twelfth. How do we determine the proposed amounts of aid?

Answer. We propose to provide only such aid which our free European allies could not supply currently for their own defense without payment in dollars and could not be financed by the recipient countries without excessive strain on their domestic economy. Such a strain would bring about internal Soviet subversion, which thrives on poor economic and social conditions.

Thirteenth. Why are we including Yugoslavia in our aid program?

Answer. Because Yugoslavia is maintaining a substantial armed force including an army of 30 divisions; its independence of Russia is of importance to us. We are providing only such funds as will arrest its deteriorated economy. We are prepared to help anyone who will help us in common defense.

NEAR EAST—NORTHERN AFRICA

Fourteenth. Why are we concerned with Northern Africa and the Near East?

Answer. This area lies athwart of the principal lines of sea and air communication to the entire Eastern Hemisphere. It is a source of prime strategic material such as oil—supplying three-fourths of Western Europe's petroleum requirements. Since World War II, and even prior to it, the Soviets have made this area a target for their propaganda, intimidation, and guerilla warfare designed to exploit social unrest and racial antagonism; i. e., Iran, Egypt, Israel, and so forth. It is one of the key areas of the world.

ASIA AND PACIFIC

Fifteenth. Why are we concerned with an area that is so far removed from ours, such as India, Burma, and so forth?

Answer. This area is especially vital to United States interests. It produces 60 percent of world tin, 95 percent natural rubber, all of its jute as well as many other commodities and minerals. It contains the only important petroleum reserve between California and the Persian Gulf. It accounts for approximately 30 percent of the world's population and contains large resources of strategic materials essential to a free world productivity.

Sixteenth. What evidences do we have that the Communists are attempting to infiltrate and encroach?

Answer. (a) The waging of war by satellites in Korea; (b) attempting to invade and take over Formosa; (c) supplying arms to the revolutionists in Indochina; (d) intensification of subversive tactics by Communists in all areas where actual war is not being waged.

Seventeenth. Are we expected to arm and equip this vast area?

Answer. No. These countries are not without their defenses against communism but they need help to start promptly on their plans to improve living conditions, public health, and confidence in their Government. The major problem is the discontent among large masses of their people because of disillusionment that their independence gained after World War II was not immediately accompanied by economic betterment. Our program will provide technicians and training in health, agriculture, transport, and communications. This will do much to better their conditions.

Our military is aimed at enabling these countries to preserve internal security and discourage external aggression.

LATIN AMERICA

Eighteenth. What threat are the Communists in Latin America to the United States?

Answer. There is definite evidence of Communist subversive activity. The Soviets and extreme nationalists have been fomenting anti-United States sentiments—existing social unrests stemming from low standards of living and ignorance are fully exploited.

Nineteenth. Why can we not continue to get Latin-American cooperation as based on the good-neighbor policy?

Answer. Latin-American governments' foreign policy reflects their public opinion at home. Under-cover political subversive activities by Communists and extreme nationalists can and does sway such public opinion. They look to us for leadership in the Western Hemisphere defense. If we do not aid them militarily and economically many of the moderate governments might be compelled by these subversive groups to withdraw from cooperation with the United States.

Twentieth. Why is this area so strategic to the United States?

Answer. During World War II, we were required to station more than 75,000 troops and use naval installations to guard our installations and critical areas in South America. Unless these nations are supplied with this aid which will give them political stability and military forces we will be called upon again to use our own troops and resources in the event of another such emergency.

Twenty-first. Just how dependent are they on us and we on them?

Answer. In 1950, we imported 35 percent of our total imports from them including 46 percent of our wool imports, 61 percent of petroleum, and more than 50 percent of lead, copper, nitrate, and sisal fiber. They in turn imported from us about 50 percent of their total imports including 30 percent of our total exports of machinery, 38 percent in chemicals, 40 percent in textiles, 44 percent in automobiles, 40 percent in iron and steel advanced manufactures. It is obvious that they represent an important segment of our economy.

Twenty-second. Cannot these governments supply their own military needs?

Answer. Except for Canada, the United States is the only significant producer of military equipment. They look to us for such aid particularly where the task is outside the bounds of defense of their national territory. In the interests of cooperative defense of our hemisphere the United States should assist in providing equipment and the training needed.

Mr. Chairman, I wish for the RECORD to correct a printer's error which appears on page 60 of the committee report on the Mutual Security Act of 1951—House Report 872. The last paragraph on that page reads:

It is not the intention—

And so forth. The word "not" should be eliminated. The word "immigrants"

in the next to last line should read "emigrants." These changes conform the language to the intent of the Committee that no funds authorized under the proviso to section 101 (a) (2) should be made available to any international organization, institute or office which has Communist countries in its membership.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, it is unfortunate that ample time has not been allotted the House for a full discussion of this important subject but it seems that Congress usually gets in a hurry when we are giving money away. On the basis of the economic recovery in postwar Europe to the end of the calendar year 1950, there is today substantial ground for the contention that all forms of direct economic assistance might well be discontinued. I do not at the moment address my remarks to the program for military assistance, but only to the direct program of economic rehabilitation, as conducted under the Marshall plan. Such programs account for a considerable proportion of the funds authorized in the pending measure. Substantially, all such funds are unnecessary at this time and should be deferred until our own massive rearmament and retooling program at home is completed. To attempt further peacetime economic rehabilitation in Europe, Asia, Africa, and the western hemisphere, while at the same time pressing forward at home in an ever-expanding defense program, is to invite the disaster of inflation, bankruptcy, and ruin—and thus to undermine the defenses not only of America, but of all the free world.

The President's report on the accomplishments of the Marshall plan through 1950 informs us that at the end of last year industrial activity in Western Europe attained a new postwar peak approximately 38 percent above the average for 1938. Steel production in Europe closed the year 1950 at the annual rate of 54,000,000 metric tons, the highest on record. Production of motor vehicles, textiles, and shipbuilding were at new postwar highs. Electric energy production was 75 percent above 1938. Agricultural production was 10 percent above the prewar average. During the fourth quarter of 1950 export volume from Western Europe was 57 percent above the 1938 level. There is now but little unemployment in the NATO countries.

During the last quarter of 1950 more than \$800,000,000 of Marshall plan funds—the counterpart funds—were released by the United States authorities to reduce the national debt burdens of the participating countries. Here you have the whole picture—American taxpayers paying off part of the national debt of the Marshall plan countries; and this, at a time when every dollar of Marshall plan assistance was coming either directly from the United States taxpayers, or being added to the United States national debt, which already stands at the breath-taking—and dangerous—figure of \$1,653 per capita, and this in ad-

dition to the indebtedness of the States and various local levels in government.

However much one may say in defense of economic assistance abroad, as a theory of combating communism, the question yet remains whether we should continue to pile up the United States national debt with funds used, in part, to reduce the national debt of the beneficiary nations. America simply cannot carry the rest of the world on its back.

It has been charged that the Marshall plan, far from combating communism in Europe, actually has sustained and maintained numerous socialistic governments, which otherwise would have ceased to serve the march of Marxian theory on the Continent. The Marshall plan funds diverted to reducing the outstanding debt of these Socialist governments in Europe enabled those very governments to boast of the success of their socialistic ventures, at the direct expense of the American taxpayers. I call the House to a fitting mood of responsibility in this hour of grave decision. We must stop financing socialism the world around:

We are entitled to ask, also, whether the foreign economic aid we have furnished has, in fact, paid off in its major aim, reducing communism and the threat of communism in Europe.

In France, in the last general elections this summer, one vote out of four was for the Communist candidates. That is exactly the same as if the Communist Party had gained 12,000,000 votes in a United States national election, instead of the 1,156,000 garnered by the Henry Wallace Communist ticket in the 1950 election. Yet this is the result of our give-away endeavors in France—more than \$4,000,000,000 in Marshall plan assistance to France in 5 years—all for a drop of 6 percentage points in the total Communist vote.

A like story is told in the most recent Italian elections. There the Communists gathered two out of every five votes cast; as if the United States had registered 20,000,000 Communist votes in 1950. We had already poured \$2,000,000,000 into Italy in Marshall-plan aid, and were rewarded with an increase of 4 percentage points in the total Communist vote in the last elections.

This is indeed making very costly progress against communism at a snail's pace—and at the same time supporting Socialist governments from the Aegean Sea to the Baltic.

As one discerning American editor has put it:

The big question is how much dependence the United States can safely place upon the strength of nations whose armies, governments, diplomatic machinery, unions, industries, and educational systems are honeycombed with Communists and Communist sympathizers.

On the age-old legal principle of reasonable doubt, we should consider if the time has come to suspend all further programs of economic aid to Europe in favor of our own immediate defense needs.

Lavish aid for bankrupt Socialist governments overseas is depriving millions of American communities of sorely needed public-service facilities. So much

taxes are rolling out of the counties to these give-away programs overseas, that there is no more taxing power available at home to build sorely needed new schools, new hospitals, new sewerage systems, roads, airports. In a very real sense, America is denying the urgent needs of normal American growth and development to launch new aid programs abroad. Last year, right here in America, the 48 States and various local governments spent only \$5,500,000,000 on public education. Yet, in this bill we are asked to give much more than this in foreign aid, a substantial part of which is to go for schools, public health, and internal improvements in other lands. The question is, how can we justify it? The share of the cost of this bill to my own State is \$118,000,000.

In defense of these fabulous—if somewhat soft-headed gifts abroad—the administration tells us that such aid is absolutely inescapable if we are to encourage the nations to defend themselves against the threat of Communist invasion.

Of course, there is no logic whatever supporting the theory that people and nations must be bribed by the United States Treasury to defend themselves.

Further, there are no figures to support the suggestion that these nations are making any appropriate effort to carry their fair share of the free world's defense load.

With our current military and defense assistance budgets ranging in the neighborhood of \$80,000,000,000 for the fiscal year ending June 30, 1952, this country will spend about 23 percent of her national income on defense items. No other country in the North Atlantic Treaty Organization—NATO—approaches that percentage in total defense spending.

Britain will spend about 9 percent of her national income on her defense budget, and Canada will spend only 8 percent of her national income for military items—both a far cry from the 23 percent already earmarked by the United States. France will do little better in this percentage table than England; her total is fixed at 9.7 percent of the national income. Other figures: Belgium-Luxemburg, 4.3 percent; Denmark, 2.8 percent; Italy, 6.3 percent; Netherlands, 7.5 percent; Norway, 5 percent; Portugal, 2.9 percent.

Clearly, the nations of Europe are leaning heavily on the United States Treasury. Why should it not be a fair and reasonable proposition for the United States to limit its overseas assistance to the same percentage of effort as Europe puts forth in its own behalf? If defense is deemed worth only 3 percent of the national income to any nation, why should the United States contribute enough to make that nation's defense budget equal 5 percent of its income? Defense can never be worth more than the value put on it by the nation involved. If any nation in Europe is satisfied with a 3 percent defense budget, it likely will have a 3-percent defense system, regardless of how much Mr. Acheson may seek to pour into that country in arms assistance.

Since 1940 the United States has budgeted \$128,000,000,000 for overseas

assistance, including the 1952 aid program now under considerations. This figure, of course, has been on top of \$178,000,000,000 spent and budgeted for the fiscal years 1945-52 on our own defense programs. This makes a total of \$306,000,000,000 already allocated out of American production for world defense against the Communist threat. If the other nations are unwilling to carry their fair and equal share of this load of defense, the American people obviously are being deceived and defrauded into a quagmire of paper defenses—and at a cost which threatens the solvency and survival of the Nation. The one great bulwark for the defense of freedom against Communist aggression is America's system of enterprise of free labor and free management, which has given us this great productive capacity. If we exhaust our own economic resources, the cause of freedom will be lost everywhere.

The time has come when American policy must look firmly to the defense of America.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. MERROW].

SOVIET IMPERIALISM

Mr. MERROW. Mr. Chairman, Soviet imperialism is the direct cause of the present dangerous international situation. Following a policy of brazen aggression, the Soviet Union has spread its control and influence over many nations. In 1939, Soviet Russia had an area of approximately 8,000,000 square miles and a population slightly in excess of 170,000,000. The Moscow-dominated world today includes over 13,000,000 square miles, with a total population of about 750,000,000 people.

The Soviet Union maintains the most extensive military machine in the peacetime history of the world. Its position is external aggression. Soviet-dominated Communist parties are ready to spearhead internal subversion. These are the simple facts that compel the free world to guard its freedom by increased armament.

COMMUNIST ACTIONS AND PHILOSOPHY

The Communists by their actions have demonstrated to the world that they intend to dominate and impose their philosophy upon the entire earth by any method possible, be it by infiltration, forceful seizure of governments, or by military conquests. One has only to read their pronouncements to know that they have sworn eternal hostility to the free institutions developed over many years by the efforts, the sacrifices, the blood, and the lives of those who have believed in the principles of the free democratic world. According to Soviet ideology, democratic and free ideals must be destroyed. In their place they plan to establish totalitarian tyranny. While we meet here today there are millions of people who are in the chains of slavery clasped upon them by the Soviet Government.

Never before have free civilizations been challenged with such viciousness and with such sinister determination to destroy all that we hold valuable in human life. Never before in the long history of man's rise from his primitive state

has he been confronted with so many dangers as beset him in the current world. One can predict without fear of error that the decade of the fifties will be recorded by the historians of the future as one of the most crucial 10 years in man's long difficult struggle to establish a stable and decent world in which people may live out their lives from imminent enslavement and death.

We must keep constantly in mind the tenets of communism which have been dinned into the ears of people for many years, the acts of the Soviet Union, the monotonous recalcitrance of their diplomats, and the utter refusal to cooperate in endeavors to establish any kind of an international society of stability and peace. In view of this, we must under no circumstances lessen our determination to increase our own strength and the strength of our allies as we gird ourselves to protect and defend the free world. In the event that the aggressor should decide to make good his oft-stated intention of dominating the free world by a military attack we must be so well prepared that his rashness will meet with complete and utter defeat.

PHONY PEACE OFFENSIVE

We must first recognize that the current peace offensive is but a phase of Soviet diabolical planning designed to ease and relax the nations of the West in their concerted efforts to construct defenses. The word peace as it is employed in the upside down language of Soviet diplomatic talk is fundamentally a cover for policies and programs whose sole objective is the extension of Soviet power. The peace offensive is designed to produce the establishment of preconditions for the ultimate domination of the world by the Soviet Union.

The current emphasis placed on peace as reflected by Malik's proposal for a Korean cease-fire, the extensive publicity for a five-power peace pact, and the reappearance of the theme "peaceful co-existence" are put forth to foment disunity among the free nations. All these moves are made to encourage relaxation of the free world in its defense efforts. The Soviet Union has tested the firmness of American resolve and the solidarity of the NATO alliance against a background of war in Korea. They are now testing them against a background of peace protestations.

The Kremlin is disturbed by the rapid improvement of American fighting strength and the increasing success of the program adopted by the free world to construct military power sufficient to thwart the threats of the aggressor. The Kremlin, anxious to weaken the NATO structure, is seeking to prevent Germany from making full contribution to the defense of Western Europe, is trying by every means to reduce the scope of our rearmament program, and is undoubtedly seeking to bring about an outbreak of hostilities in many sections of the world. Through monstrous lies and vicious propaganda, Moscow is striving to confuse all people, to foment unrest, to produce dislocation, to frustrate all attempts to create a peaceful international society, and is ceaselessly pushing a program of world domination.

Recent evidence of bad faith on the part of the Communists is their refusal to reach any agreement in Kaesong. Vice Adm. Charles Turner Joy, who is chief of the Allied delegation, recently said to them:

You are engaged in these conferences only to present demands, not to negotiate solutions.

Communist China with whom Moscow is cooperating has given ample evidence that the Communists will not negotiate in good faith. They have clearly demonstrated that the Malik proposal was not made with any desire to reach solutions in the Far East.

In all probability the phony peace offensive will increase in intensity. We must not be misled by any of the statements emanating from the leaders of international communism in Moscow. Under no circumstances should we relax in our determination to build rapidly our defenses. To the various suggestions coming from the leaders of the Soviet Union in their peace statements, we must continue to answer with resounding action as we did last week in passing a military appropriation bill of over \$56,000,000,000, as we did this week in approving on Tuesday over five and one-half billion dollars for military construction, and as I feel certain we are going to do in making authorizations to aid friendly nations as proposed in the bill under discussion. This program for help to European and other free nations in the Near East, the Far East, and Latin America who are with us in this greatest enterprise ever undertaken by freemen is an integral part of the defense program of the United States. The current enterprise in which we and our allies are engaged has as its goal the continuation of a way of life that holds inviolate the dignity of the individual, a way of life that has as its very core the finest ideas and the highest ideals to which the human spirit is capable of aspiring.

The United States today stands in a position of leadership unequaled in all the decades of human history. This Republic has an opportunity the like of which destiny has never accorded any power. The struggle that is now joined is between freedom and totalitarianism. This is an age-old conflict, but today it is being fought on a more extensive scale than ever before. The outcome will be even more significant than the outcome of previous engagements which freemen have had with tyranny.

EVIDENCES OF SINCERITY

If the Kremlin is actually and sincerely interested in establishing a peaceful world, the Soviet leaders could quickly and easily demonstrate this by straightforward action. Action would speak louder than any of their statements. Let the Soviet Union conclude a treaty of peace with Austria. Let them live up to their solemn pledges made during the war. For instance, let them hold free elections in Poland and other countries under their domination. Let the Soviet Union cease its vicious propaganda against the United States and other free nations, release from prison those who are unjustly incar-

cerated, extend freedom of travel to their own citizens and to the citizens of other countries who wish to visit Russia, stop the ceaseless agitation through Communist Parties all over the world, actually begin the demobilization of the huge Red military machine, display a willingness to reach solutions to international problems at the conference table, cease the chronic habit of blocking the work of the U. N. and then the free world would be convinced that the Politburo means what it says.

Were this to be done, the Kremlin would have no difficulty in convincing the world that it is actually concerned about peace. Until such actions are forthcoming, there is no alternative but to construct our defenses at top speed. By the record and by the actions of Moscow, there is nothing to indicate that the Communists are sincere when they say that they desire peace. There is nothing to indicate that they do not intend to strike when they consider the time propitious. Until the actions of the Soviet Union show that the goal of world domination has been forsaken and that the Kremlin is willing to live and let live, we must be prepared for any possible assaults which may be perpetrated upon us.

PROPOSED LEGISLATION

The Mutual Security Act of 1951 which we are currently considering is a bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Section 2 contains a declaration of purpose. The proposed legislation is for promoting the foreign policy of the Republic by authorizing military, economic, and technical assistance to friendly countries. This is for the purpose of strengthening the defenses and the security of the free world. This measure is as much a national defense measure as are the appropriations for our own Armed Forces. It is an integral part of our national defense budget.

TITLES IN THE BILL

There are six titles in the bill. Military and economic aid is provided for Europe, title 1; for the Near East and Africa, title 2; for Asia and the Pacific, title 3. Title 5, organization and administration, sets up a single administrator to handle all types of aid patterned along the lines of experience gained by the ECA. Title 4 provides assistance to the American Republics, and title 6 is a section of the bill that contains a series of general provisions for the purpose of carrying out the act.

PROPOSED AUTHORIZATIONS

The Mutual Security Act authorizes \$5,028,000,000 military aid for Europe; \$415,000,000 military aid for the Near East and Africa; \$530,000,000 military aid for Asia and the Pacific; \$40,000,000 military aid for the American Republics. It authorizes \$1,335,000,000 economic aid for Europe; \$175,000,000 economic aid for the Near East and Africa; \$248,750,000 economic aid for Asia and the Pacific; and \$22,000,000 economic aid for

the American Republics. Under title 6, general provisions of the bill, a total of \$55,000,000 is authorized for the acquisition of strategic materials.

The total authorization for military and economic aid amounts to \$7,848,750,000. Of this \$6,013,000,000 is for military assistance, and \$1,835,750,000 for economic help. The administration requested for the various titles a total of \$8,500,000,000. The committee cut this by \$651,250,000.

EUROPE NECESSARY TO FREE WORLD

Although aid is provided in this measure for friendly nations in the Near East, Asia, and the American Republics, the major part of our assistance is to go to Western Europe. In view of this I am going to devote my remarks to this part of the world. This does not mean, however, that our help in other areas is of any less importance.

One does not need to argue how necessary a free Europe is to the continuation of the free world. This continent has a population of over 200,000,000 people, a great and growing productive capacity, and a cultural heritage that forms the basis of our own civilization. In the interest of the United States security, we must continue to do our part in helping Western Europe so that its people, the great resources of the continent, and its productive capacity will be harnessed on our side in our great effort to contain the vicious threat of communism and will not fall into the hands of the Communists. Should this latter eventuality occur, the balance of power would well be tipped against us. It is difficult for me to see how the North American Continent could continue to exist as an island of freedom in a world enchained and enslaved.

Europe and the other friendly nations of the world need United States assistance. All free peoples must exert the greatest possible effort in their own behalf in making as much of a contribution as they can for their own self-help. By doing this we and they working together will be empowered to realize the greatest hope of man—the perpetuation of free institutions.

UNIFICATION OF EUROPE

The subject of European unification has aroused great interest in this House, in other parliaments, and in the foreign offices of free countries. As recently as the 3d of July I had the opportunity of listening to Gen. Dwight D. Eisenhower deliver a speech at a testimonial dinner given to him by the English Speaking Union in London. In his address, one of the finest I have ever heard, he emphasized European unity.

The general said:

But with unity achieved, Europe could build adequate security, and at the same time continue the march of human betterment that has characterized western civilization. Once united, the farms and factories of France and Belgium, the foundries of Germany, the rich farmlands of Holland and Denmark, the skilled labor of Italy, will produce miracles for the common good. In such unity is a secure future for these peoples. It would mean early independence of aid from America and other Atlantic countries. The coffers, mines, and factories of that Continent are not inexhaustible.

XCVII—640

Dependence upon them must be minimized by the maximum in cooperative effort. The establishment of a workable European federation would go far to create confidence among people everywhere that Europe was doing its full and vital share in giving this cooperation.

So effective was General Eisenhower's speech that former Prime Minister Winston Churchill who was present at the banquet termed it one of the greatest to which he had ever listened.

CONGRESS SETS THE GOAL

The Congress in the Economic Cooperation Act establishing the ECA stated it to be the policy of the people of the United States "to encourage the European countries through their joint organization—the OEEC—to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity." In reviewing the act the following year, the Congress further emphasized its belief in the need for the closest possible cooperation among the European countries by stating the same thought more explicitly and adding to the preamble that it was "the policy of the people of the United States to encourage the further unification of Europe."

Although today Europe is neither economically integrated nor politically federated, the concept of European unity which the Congress encouraged has already found expression in the creation of several important European organizations. Long strides forward have been made in the economic, political, and military fields.

ORGANIZATIONS FOR UNITY

The several organizations which have promoted the unity of Europe include the Brussels Treaty signed in March 1948; the Organization for European Economic Cooperation; the North Atlantic Treaty Organization; the European Payments Union; the Council of Europe; the Schuman plan; and as recently as July 24, the establishment of a plan to merge the military forces of Europe into a combined authority.

THE ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION

In April 1948, the Marshal-plan countries established the Organization for European Economic Cooperation. This was created to bring about sound economic conditions and ultimately to free themselves from outside assistance. The countries were determined to reduce trade barriers progressively and set up institutions for achieving the goal of economic unity.

After World War II the countries of Europe to conserve their dwindling reserves of foreign exchange for the purchase of commodities essential to recovery, and as a bargaining device to induce other countries to accept its exports, maintained a wall of restrictions on imports chiefly through import quotas and currency exchanges. To break down these barriers the OEEC instituted its trade-liberalization program. This provides basically for a progressive removal of quantitative barriers to imports from other OEEC countries. As a result, trade in Europe has increased far above

its prewar levels. It is moving in a more efficient pattern.

EUROPEAN PAYMENTS PLAN

The European Payments Union, established by the OEEC countries on September 19, 1950, provides essentially for a multilateral system of intra-European payments. Deficits incurred in trade with member countries can now be offset by surpluses in trade with other members. As a result, the EPU reduced bilateral payments difficulties among the OEEC countries. The countries are now concerned rather with their over-all position in the EPU. It is possible for an importer in one OEEC country to buy from an efficient producer in another OEEC country as a result of the improved system of intra-European payments.

COUNCIL OF EUROPE

In March 1949 the Western European countries established, with headquarters in Strasbourg, the Council of Europe composed of two organs, a Committee of Ministers and a Consultative Assembly. During the recent testimony on the mutual security program, I asked the Honorable George W. Perkins, Assistant Secretary of State for European Affairs, for his estimate of the work of this body. He replied:

The Assembly has debated many problems of European significance, including social security, human rights, full employment, treatment of refugees and the elimination of visas, and has made recommendations to the Committee of Ministers. Although the powers of the Assembly are currently quite limited, the Council of Europe serves as a focal point for the movement toward a United Europe, as a unique forum for consideration of problems from a European point of view, and as a testing ground for the concept of a European parliament.

Such procedure is unique among international organizations. Because of its composition and the attendance at its sessions of leaders like Winston Churchill, Spaak, and Bidault, the Consultative Assembly of the Council of Europe has been in a position to play an important role in marshaling public opinion in Europe on a wide variety of pressing issues. It is stimulating action in fields ranging far beyond those within the direct responsibility of the council.

THE SCHUMAN PLAN

In the spring of 1950, Mr. Schuman proposed that the entire French and German production of coal and steel should be placed under a joint high authority within an organization which would be open to participation by other European countries. In first announcing the proposal Mr. Schuman declared that—

This proposal will create the first concrete foundation for a European federation which is so indispensable for the preservation of peace.

Similar sentiments were expressed in April of this year when representatives of six nations—Belgium, the Netherlands, Luxemburg, France, Italy, and Western Germany—signed the treaty for the creation of a European coal and steel community.

The treaty is now before the parliaments of the member states for ratification. If the principles embodied in the

treaty are fully realized, the coal and steel industries of the six countries will become a single community.

ORGANIZATION OF DEFENSE COMMUNITY

As recently as July 24, a spokesman of the French Government announced that the delegates of five European countries, France, Western Germany, Italy, Belgium, and Luxemburg, had agreed on the principle of merging their national military forces into a combined European army under the authority of a European defense minister. Such a merger would eliminate many of the obstacles to a substantial German troop contribution to European defense. It could also be hoped to increase the combat efficiency of the fighting forces through greater standardization of methods and equipment. This combined army, of course, would be placed under the supreme control of General Eisenhower, just as is now true of national forces.

FUTURE PROGRESS

The people interested in international affairs on both sides of the Atlantic agree that the future unity of Europe, politically, economically, and militarily, including the integration of Western Germany, is a prerequisite to the full development of the economic and military defenses of the Continent. As we have given economic aid to Europe, we have constantly emphasized the necessity of reaching agreements with the countries designed to achieve this purpose. As I have previously stated, we wrote into the ECA Act that the policy of the people of the United States is to encourage further unification of Europe.

Mr. Paul Hoffman as head of the ECA pushed the program of integration vigorously. General Eisenhower is doing everything possible to further progress toward the accomplishment of this goal. I am sure that the statesmen of the Continent will work unceasingly for the accomplishment of an objective upon which depends not only the future of their own people but to a great degree the future of the free world.

AGREEMENTS

I have contended over a long period of time that there should be definite and precise conditions agreed upon in connection with the extension of economic and military aid. Failure to work out conditions mutually beneficial to both parties means that we are doing not only ourselves but our friends an injustice. On several occasions during the hearings I have discussed this subject in connection with our economic and military aid. I am particularly pleased that in section 503 of this measure, entitled "Eligibility for Assistance," are these words:

No military, economic, or technical assistance (other than assistance provided under Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Such agreements shall include appropriate provisions for such country to (1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party; (2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and (3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Certainly the Administrator should have power to halt assistance unless such aid will "strengthen the security of the United States." No country should have any hesitancy in agreeing "to join in promoting and maintaining world peace." To carry out the military agreements in paragraphs 2 and 3 of section 503 it will be necessary, in my opinion, to accelerate integration. The development and the maintenance of the defense strength of each nation and the defensive strength of the free world will depend upon how closely the countries are willing to work together.

This bill also strengthens the power of the President to terminate assistance under certain conditions. Briefly these conditions fall into two categories: First, where the President determines that assistance "is no longer consistent with the national interest or security of the United States"; and, second where a recipient nation contravenes a finding by one of the two major organizations of the United Nations. The purpose of this aid is to assure peace and stability among the nations of the world. There is no reason, therefore, why this Government should give aid to any nation which seeks to upset peace and security.

Although there is much to be accomplished, we can, I believe, look forward with anticipation that increasingly greater concerted efforts will be made in erecting speedily the defenses of the Western World. The section of this bill entitled "Eligibility for Assistance" provides, as I view it, positive, forward-looking, dynamic leadership so necessary in these troubled times.

PART OF THE DEFENSE EFFORT

This measure is a vital part of our total defense effort. If we feel that the friendly countries of Western Europe and the other free nations as mentioned in this measure are necessary in the struggle to continue the free way of life; if we believe that the defense efforts in the west, in Greece, in Turkey and in the Far East are playing a part in maintaining our own security; if we have confidence in the leadership of General Eisenhower; then it necessarily follows

that there be no hesitancy in authorizing sufficient funds for economic and military assistance to accomplish the task of strengthening the free and friendly world.

Our ECA aid and our military help to Western Europe and to other parts of the world have already proved successful. In the midst of a program that is achieving results, drastic cuts would hamper our efforts. By quickly passing this measure we will provide the free world with a great psychological lift and we will have informed everybody in no uncertain terms that we intend to continue the programs against aggression which we have started. In an editorial entitled "Foreign Aid—Making It Count" the Christian Science Monitor of August 10 used these telling words:

But in building a bridge it is not of much use to construct a 1,800-foot truss to cross a 2,000-foot river.

THE GREAT DECISION

The battle of this century is to preserve the free way of life against forces that would destroy the last vestiges of human liberty. In two world wars we have fought and sacrificed to preserve free civilization from being subjected to absolutism. Even now, American boys are fighting and dying that the way of life we cherish may continue. From one end of the world to the other, freedom is being challenged. This is a struggle that will continue for no one can predict how long. The great decision is to remain steadfast in our purpose and in no respect turn away from the task that we have set our souls to perform.

Generations before us have fought, struggled, bled, and died for liberty. If we make the right decision now we hope that our generation will be spared a renewal of that conflict. Our friends across the sea are mobilizing their defensive efforts. We are also mobilizing. They are increasing their striking power. We, too, are increasing our striking power. All of us must work harder, move faster, and face the future with an inflexible determination less the noblest cause for which man ever fought should be lost to the hosts of tyranny. Just as we have begun to increase our own military strength in this difficult and dangerous period so I am confident that we will provide all that is necessary and all that lies within our power in helping our friends so that we and they, working together, may surmount the Communist forces threatening to destroy us.

The one language the Soviet Union respects and comprehends is the language of force and military preparedness. Through our defenses we will be able to preserve the peace. The free world by rapidly increasing its military forces will, I am confident, be able to prevent a general war. By rapidly augmenting our striking power we can avert a possible armed attack.

There is no alternative to rearming. Freemen must make ready to defend their liberties. Freemen must be determined that their way of life shall continue. As we march to the future shoulder to shoulder with our allies let us make the preservation and the perpetu-

ation of freedom our goal, and let us keep within our hearts a deep and consuming love for our way of life that places supreme value on the dignity of human beings. In doing this we will be successful in our endeavors and will have the eternal satisfaction of knowing that we are making an imperishable contribution to the establishment of a free and peaceful international society.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, surely there could be no justification for the bill that is before us today on our whole vast program of military aid to other countries if it were not for a few very simple facts. The first of the facts is that we are at war. The gentleman from Wisconsin [Mr. SMITH] a while ago said that the course we are following is the course to war. Let us not fool ourselves about it, the war is already here. Some of it is a cold war and some of it is a hot war. The question now before us, Mr. Chairman, is not whether we are in a war, but how we are to win the war we are in.

Another hard fact is that it is a war for our very survival.

It is a global war. It involves every continent and country and people in the world.

It is a war for the minds of men as well as for their territory and resources. In those countries where it is still a cold war, it is just as intense a struggle for the minds and allegiance of men, perhaps more so, than it is in the areas where it has already erupted into shooting war.

It is a war in which the strong, cruel enemy, which set out four decades ago to destroy our freedom, is using and has announced in advance that he will use every conceivable weapon. Way back in 1923 Mr. Lenin said, "We will use every ruse, every dodge, every trick, every cunning, every illegal method, every deception, every concealment, every veiling of the truth."

Our enemy is not fighting a gentleman's boxing match according to the Marquis of Queensberry rules. If we hit below the belt, we are ashamed of it and apologize. In contrast, he prefers to hit below the belt, because that gives him greater advantage. His only concern is to win. There are no restraints. That is the kind of ethical standard, if one can call it that, which the Soviet leaders frankly announce as the foundation principle of their whole regime. They are using every conceivable weapon; we must use every honorable counter-weapon.

Mr. Chairman, I regret we are in a war, and with such an enemy. I do not think it was necessary or unavoidable. I tried early to get our Government to do the things, especially in Asia, which I believe might prevent it. I am sure the Members of this House will agree that on every possible occasion I have warned that unless there were certain changes in our policies, they were bound to lead us to where we now are. And I cannot trust to get us out of the mess the same men who got us into it. But

the big point still remains: However unnecessary and inexcusable, here we are. It is our country that is at stake. What do we have to do to save our country in this struggle to the death? Do we of the Western Hemisphere want to fight the enemy of all freemen alone—one-seventh of the people of the world against six-sevenths? Or do we want to fight it with allies, and to have those allies as strong and united as possible? Do we want to fight alone—or as part of a free world that understands what the stakes are, what the enemy is up to, and what we must do to survive? If we were to take a text today, it ought to be: "What must we do to be saved?"

Surely, everybody will agree that it is better to have allies, if we can, and it is better, if there has to be fighting, that it be as far away from our country as possible. There are lots of people in Europe and Asia, who want to fight for their own soil and liberty and do not ask or want us to do their fighting for them. They want the chance and the arms to enable them to do it for themselves. Surely, it is better to help them fight for themselves than to insist on the questionable privilege of doing all or most of the fighting and dying ourselves.

The big question marks are: Can we get allies who will be dependable? Can we get allies who will be an asset rather than a drain? Where and how?

The Committee on Foreign Affairs at the very beginning of our consideration of this momentous measure sent eight of its members along with four from the Committee on Armed Services and six from the Committee on Appropriations to Europe to study the situation first hand and to find out if we could what the prospects are. As I saw it, there were about four main determinations to be made. First: Are the peoples and governments of Western Europe willing to make an even more vigorous individual effort to build up their own strength, economic and military, than they have made heretofore?

Second. Are they willing to work together in a more vigorous collective effort better than they have been making? Is there a coordinated plan? Because, just to help each of the 18 countries of Western Europe back to what it was before the war—to restore France as she was, or to restore Norway as she was, or to restore Belgium as she was, and so forth, is not good enough. They were going downhill before the war; it only hastened Europe's deterioration. How can we get them to build up and unite their strength for defense of the whole region so that it will be a Western European resistance, and not resistance by a handful of completely separate economies and military establishments?

Third. Are they making good use of the aid we are already sending to them? There is no use sending any more if they are not. We wanted to see with our own eyes whether further aid to them will be used advantageously, or just as advantageously as if we were sending our own boys there to use it.

Fourth. How much aid from us will be needed to enable them to do this job? Should we revise up or down previous

estimates that we have had? What are the prospects?

Mr. Chairman, I have just a little time to sketch or suggest, at the request of our committee, some of the answers as we found them. On the first question, the score is good. They are working hard. Morale in Western Europe has improved unbelievably since I was there in 1947, studying whether or not we should embark upon the economic phase of the program, the Marshall plan. For example, in England there is no unemployment. There is not an empty or idle factory. Whereas the consumption of goods in America has increased 43 percent since VE-day, consumption in England has increased only 6 percent. They have put themselves under strict discipline. I do not like many of the things in the economic philosophy of the government in power. I think they could do far more if they would take some of the governmental shackles off their people. But, as for the will and determination of the British people to stay free—you can count on them.

Go to Norway. Here is a little country with 3,000 miles of seacoast, and 3,000,000 people. They have no need for a big army because there can be no opportunity to maneuver a large army. What they need are small, efficient mobile units able to hold this pass or that strategic air base or a communication center against attack by parachute troops who might land, and so on. They are using well the tanks and the fighter planes we are sending to build the particular kind of defense they need.

Let me report one instance of how determined those people are. There is a labor government—a government which was in closest cooperation with Communists up until a few years ago when the Communists took off their mask and the Norwegians saw that the Communists were not interested in helping Norway, but were interested only in using it for Russia's purposes. The labor government broke with the Reds and this spring passed a law imposing a 10-percent sales tax right across the board, food and medicines and clothing—everything. Perhaps no government but a labor government could do that. If any other party were to do it, I suppose it would be charged that big business or selfish interests were imposing hardships upon the working people. But that is an earnest of the determination of these strong and rugged people to cut down their own living standards so that they can have the resources necessary to defend themselves against the force which they see is their enemy, as we see it is ours—I hope.

When you come to Holland, she has a lot of special difficulties because of her setting free the asset part of her empire, the Dutch East Indies, with their great riches in oil, spices, rubber, and so forth. That dealt her economy an awful blow as far as earning power and especially income in hard currency is concerned. Furthermore Holland needed a navy to protect her Asian possessions and trade therewith. She was proud of being a naval power. Now she does not have much more need for a navy than the

State of Minnesota. When Dutch emphasis and effort for so long in the past have been on naval power, it is hard to abandon their traditions in order to shift around and put their effort into building land strength which is what the West Europe team needs.

Belgium is in the best condition of any of them, in part because of the wise and courageous moves to restrict purchasing power, halt inflation, and restore maximum incentives to work and produce within the Belgian Government took at the end of the war. They have great industrial centers where they can make enough steel and small arms ammunition, and some of the other military items necessary for rearmament, not only for themselves but also for other European countries. This points up one of the greatest difficulties we have had in getting the Europeans to work together primarily for the defense of the whole area. Belgium can produce small arms that for example, France and Italy need. They in turn can produce certain things that Belgium needs. Yet Belgium is not producing all she can for these other countries or they for her. They have not been able to agree on a procedure by which the exchanges, the financial transactions, can be handled. If France gets small arms from Belgium, she had to pay for them. So she prefers to get them from us and our taxpayers pay for them.

At the same time we are making mine sweepers for Belgium when there is idle shipbuilding capacity in some of the other countries. But she would have to pay them for mine sweepers they build, while you and I pay for the mine sweepers we build and send to her.

The problem is to devise a financial plan whereby the resources and currencies of all the countries can be used to mobilize the full strength and productive capacity of all of them. They have been working on it for 6 months and our experts there say they are sure it can be accomplished. Only as each is producing its maximum for the defense of Western Europe can we rightly expect the United States to make up the deficits between what they need and what they can produce for themselves.

A word about Italy and France. They were hardest hit in the war. France suffered most under the Nazis, and Italy under the Fascist regime. They are in trouble. Italy has made the more spectacular comeback with less natural resources. I would say that our aid to Italy has accomplished as much as in any country we have assisted, with the possible exception of Greece. Levels are not yet as high in Italy, but they have come up further than in any other of these Western European countries.

We spent a day watching Italian forces on maneuver in northern Italy. They had only about 3 days' notice so they could not have fixed it up especially to impress us. They put on as good a demonstration of coordination between infantry, tanks, tactical air support, and artillery as one could ask from any army, and the men in the ranks were Italian draftees who had been in the service only from 7 to 14 months. The Italians are getting back their pride, their morale,

their sense of self-respect that were so badly damaged by their performance in World War I, and even more under Mussolini. They have more to fight for now. They are making a fine effort.

In summary, the countries individually are doing a good job. There is a great deal more to be achieved in getting them to work more effectively together. I believe we have to go ahead with this program with our eyes open to its dangers and its possibilities, doing our utmost with moral support, our organizational know-how, and a certain number of our military, naval, and air units to tie the thing together, until they are strong enough and united enough to go it alone. That is quite as much to our interests as to theirs.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JUDD. I thank the gentleman.

So on the question of individual effort to defend themselves and to increase their production, I give them a good score—at least 80 percent. It is perhaps no better than 50 percent on their improvement in collective effort.

In each previous year I have tried to get into the ECA Act or the Mutual Defense Assistance Act language that would say it is the policy of the people of the United States to encourage the economic unification and political federation of Western Europe. Our committee accepted it this year. It is in the bill before you. It does not mean we are trying to impose our will on them or interfere in their affairs. It is merely saying to them, as a doctor says to a sick patient, "These are the conditions you must meet if you are to recover. If you are willing to fulfill them, we can help you. If not, you had better call another doctor." Unless Europe will make a far more vigorous collective effort, our aid will not succeed.

Why do we in the United States have greater wealth and strength than they? It is not because we are any smarter than they are. It is not because we have greater resources than they have in toto; they have greater resources than we. It is not because we have been spared the destruction of two wars in a decade; that is a factor in the situation, but not the major one, for the pattern of greater production and strength here had been established before the wars came along. The real reason is the political and economic system our fathers established here, under which we are 48 political units in our federation, but we are not 48 economic units. We are only one economic unit.

That means we can bring iron ore from my State, Minnesota, and coking coal from West Virginia together to make steel in Chicago, Detroit, Toledo, and Cleveland, without going through half a dozen customs barriers, without half a dozen currency changes with their waste, delay, confusion.

Likewise, Western Europe has got to move in the direction of at least economic unification so that the whole region becomes more and more a single

trading area or they cannot achieve adequate strength, either economic or military. We are not trying to coerce them; we are trying to help them overcome the national pride which while unavoidable and understandable must give way to increasing unity if any of them are to survive.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for one question on point No. 2?

Mr. JUDD. I yield.

Mr. CRAWFORD. The Senate subcommittee that has just returned from Europe reports that the French take the position that they will not permit Spanish soldiers in France; they will not work with the Spanish; and Mr. Attlee, I believe, reports that the British do not want to have anything to do with Spain. What are you going to do to meet that practical situation?

Mr. JUDD. That is a difficulty that we have discussed frequently in committee and one which disturbs us. The French and British Governments face very volatile political situations at home and they feel they cannot afford to jeopardize their popular support by making a sudden radical and partially unpopular reversal on such a question when it is first suggested. But time and the realities of the situation are changing their attitude. Furthermore, as things stand at present, while we certainly should have Spanish soldiers on our side in the program for the defense of Western Europe, the key problem is not manpower. The fact is that at the present time they are enlisting and training men faster than they and we can produce the weapons to arm them.

Mr. CRAWFORD. I mean they do not want the Spanish soldiers in France fighting with us to repel an attack by the Russians.

Mr. JUDD. Yes; I understand the gentleman.

Mr. CRAWFORD. France ought to get that idea out of her head.

Mr. JUDD. I think she will, but we have got to give the French a little time. These changes do not come about suddenly. There are some in America who have great difficulty in changing ideas and attitudes here that are only 40 or 50 years old, yet in some of those countries they are asked to depart from ideas and attitudes that are several hundred years old. They cannot do it overnight, but I am convinced their own interests will require and accomplish it. We were told by our own diplomatic people in France and the other countries that they have already progressed a long way toward economic cooperation and in political federation, have moved faster in the last 3 years than anybody any place in Europe thought was possible. Some of the best, most vigorous and courageous pioneering spirits in Europe are working on these problems. They need our encouragement and there is solid reason to give it. I think the program is at last beginning to roll after being so long stalled on dead center. I think Europe is around the corner psychologically. They are now recovering their confidence. That gives greater strength. The greater strength leads to

still better morale and the cycle is upward, not downward. They are making progress.

One of the most important factors in this is Gen. Dwight D. Eisenhower. He has achieved more headway in the last 5 months, in my judgment, than had been accomplished in the first 5 years after VE-day. There are several reasons for that. One is that he is to them the symbol of victory in the last war. Second, he is the symbol of American power and they are aware of its vastness. Third, he has established a headquarters and gathered the ablest military leaders of all the countries involved. Some planes and tanks are beginning to arrive. These all give them something concrete and definite around which to rally. It is no longer just a speech or an idea, or even promises by the President, Marshall, or others. They see something tangible, they see we are investing our money and weapons and men in the project even if they feared we might walk out on them, they know we will not abandon such an investment of our own men. It gives them certainty that we are ready and determined to stand with them against a common foe, that we have a direct interest in their freedom because it involves our own freedom. Fourth, is Eisenhower's great organizational skill and his ability to communicate his own confidence and enthusiasm. He is dead sure that this is the right thing to do. Yet he deals with the problems with great frankness and candor. He told our committee bluntly of the obstacles to be overcome, but said at the end: "It is this or else. If you do not do this, what are you going to do?"

Mr. Chairman, I think the question before us and the country in the so-called great debate is not whether to help Europe stay free, but how to help so as to succeed. There is no justification in doing anything unless we do it with determination not to fail.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mrs. CHURCH. I wondered if the gentleman really realized something that he has said which causes me some concern. I think the gentleman made the statement that there was no manpower problem in Western Europe. If so, why are we sending six divisions with more to follow later?

Mr. JUDD. That is very easy to answer. I said the key problem is not manpower; they are raising and training men faster than they and we can provide supplies to arm them. The biggest reason for sending American divisions to Europe is not the fighting capacity they can add to the troops of Western Europe once the latter are armed. Once Western Europe's manpower, greater than ours, is united and has the will and the capacity to fight, they do not need our men. If they are not united and willing and able to resist, we cannot send enough troops to save them.

The fundamental reasons for sending six divisions now is to help hold the line, like a finger in the dike, until Europe's manpower can be mobilized, armed, and united; and to serve as a catalytic agent

to their morale by convincing them, as nothing else can, that we do not intend to abandon them. It is concrete evidence to every west European that should the enemy move on them we will come to their assistance. Its greatest value is the psychological one. Morale and will to resist depend on assurance that Eisenhower can put effective units of both Americans and Europeans in the field; assurance that they will receive arms of the sort that will enable them to resist effectively; and assurance that the arms will arrive before rather than after an attempt is made to overrun them. It is the business of this mutual security program to accomplish just that. Eisenhower's headquarters and a few American divisions as symbols plus supplies for the European forces and a build-up of capacity to produce such supplies in Europe are the means.

The evidences already provided of America's determined interest in their survival and our survival has done much to get them into a position to furnish the necessary manpower and to increase their production. I believe there is great hope for success if we try our best; there is none if we do not. Hence, I support this program as I have previously. Our greatest problem is to get its administration better organized and directed than it has been. I believe the separate administration provided in this bill is essential and will work if the best men in the country are put in charge and given adequate authority and support.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, probably I should not attempt to speak after the eloquent speech by my friend from Minnesota, with whom I have traveled across the country in support of a bipartisan approach to the foreign policy problems of our country. I rise to speak for a moment, however, to one or two points he has made and to the extent that I may be capable of it to fortify the principal thesis of his speech.

WALTER JUDD is one of our country's great men. He and I do not see eye to eye on every phase of foreign policy, but we do believe devotedly in a bipartisan approach to the basic problems of our country and we both have faith in the efficacy of such a policy.

I agree that General Eisenhower's mission is producing new hopes in Europe and from the knowledge I have gained from observations of his committee, I believe there is every assurance that this is the best investment the United States could make in our own security.

I have been for eight and a half years a Member of this House. This is the first year in which I have been privileged to sit as a member of the Committee on Foreign Affairs. In the years I spent as a member of another great committee of the House, I have never seen proposed legislation more fully documented, any piece of legislation more thoroughly presented than the mutual-security bill which is now before the House.

There was presented to us, as the chairman of our committee said in his splen-

did opening statement, the finest authorities that this Nation could summon in support of a proposition. I shared the views of the gentleman from South Carolina in 1949 when he questioned the wisdom of granting the full request of the executive department for military aid for Europe, and largely in response to his appeal and that of the gentleman from Ohio [Mr. Vorvys] who ably presented that point of view, the House trimmed that request. At the time I concurred in the action. Whether we were right or wrong, the fact remains that conditions have changed. If reasons existed for a substantial reduction then they do not exist now.

The reason for it is that there is a new attitude in Europe and a new program. Now, America must never lose the sense of teamwork in this great enterprise. That has been the substance of every speech General Eisenhower has made and if we fail in the exercise of our great power and influence we will destroy the team spirit.

I know there is a tendency to invoke economy when measures of this kind are presented. It is an easy thing to do. It is posed as America's interest in conflict with the interest of other nations. That is an easy question to resolve. But it is a false posing of the issue.

There is no justification for this bill unless we see it as in our national interest. That does not mean it is against the interest of other nations, but rather that we recognize our identification with the rest of the free world.

Mr. Chairman, in my travels with WALTER JUDD, I was occasionally, perhaps, a bit patronizing. I enjoyed saying nice things about the Republican Party. I forgot some of my Democratic speeches long enough to enjoy good fellowship on that trip. I went so far sometimes in the spirit of sportsmanship to point to mistakes of my own party that I thought might justify the occasional reference to the mistakes of his.

At the turn of the century the Democratic Party, which is the object of my affections, failed in its larger duties in some respects, and it was the Republican Party that pointed the way to a participation in world affairs by the young Republic. Mr. Bryan, who was often right, but occasionally wrong, though always seeking the country's good, opposed the exertion of American influence in the Orient, charging that it would lead to imperialism, and it was the Republican Party that led the way, that made a contribution to the cause of freedom and of independence in that period. Our participation in the Philippines was a part of that great venture under the dream of a laudable world enterprise. I say that in order to make sure that a reference will be made in this debate to our concern for bipartisan handling of foreign-policy matters. Historically, we Democrats have had no monopoly on the idea of participation in world affairs. In my opinion, the students of history 50 years from now will be as puzzled by 1950 opposition to helping free nations fight communism as we are now by Mr. Bryan's speeches in 1900.

There is a disposition, however, for us to yield, in view of the staggering tax

burdens that are involved—and we must never discount them—to those who would say we cannot afford to take this step. The answer, of course, is that we cannot afford not to take this step. That has been well covered. But we are in danger, because we must speak in terms of billions of dollars, of underestimating the tremendous capacity of our country. I hope I will not be misunderstood. I hope I am as sensitive as anyone to the fact that our resources are not limitless and that somewhere along the line we must find a way to settle the world's conflicts without a resort to arms; we must not place our reliance exclusively upon huge armaments. They are too expensive. It cost Julius Caesar—and his empire was large enough to require 30 days for his marching men to go from one end of it to the other—only 50 cents to kill an enemy. It costs the United States of America \$50,000. The war system must be abolished if for no other reason than that we cannot afford it as a permanent institution, but our negotiations for peace can never succeed if the free world bargains as a military inferior.

On the other hand, Paul Hoffman, a tough-minded businessman, who holds the confidence not only of our country, but of the free world, has pointed out that 50 years ago, with only 6 percent of the world's population, we were producing 20 percent of its wealth. Today, with 7 percent of the world's population, we are producing almost two and one-half times, percentagewise, and the world is therefore entitled to look to us for leadership by reason of our tremendous industrial capacity. It would not be good for our economy, however, for that situation to continue. Measured in terms of absolute production, of course it is wholesome for the sinews of war are being produced here. But, it would be desirable as an economic situation for us to help the non-Communist nations of the world improve their productiveness to the point where they can claim a larger share and the percentage of American industry gradually go down. I mentioned Mr. Hoffman's comparison primarily to inject his spirit of optimism and his warning that a sense of despair about the temporary load need not overtake us. I think that is entirely compatible, Mr. Chairman, with what I said about the ultimate hope of resolving conflicts of the world on other than an armament basis.

But if I believe anything as a result of this well-documented case it is that the interests of our country are at stake. I believe that we have come to one of the turning points in history, and that America, utilizing the great moral and intellectual resources that belong to both of our political parties, as well as the great material resources can lead the world into a brighter day.

For that reason I am supporting the chairman. I think he brought to the difficult task of screening the requests keen insight and a conservative mind that are serving the Congress and the people. His bill represents a cut of almost \$800,000,000 from the requests and his compilations have had committee approval. Of course, the Committee on

Appropriations must make its study to follow this.

Our country has not acquired greatness in the eyes of other people by productiveness alone, but its greatness is measured in terms of world relations and world service. If we should refuse to devote ourselves to the task of preserving freedom and justice in the world, we would lose some of the values that have distinguished us and we ourselves would suffer most.

I had not intended to speak at this length. Mr. Judd's remarks revived recollections of our trip together a few months ago and I am yielding to the impulse to speak. I endorse everything he has said about the necessity of teamwork, the importance of our meeting the obligations that world leadership carries.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Illinois.

Mr. SPRINGER. I know there are many on this side who are somewhat disturbed by the question that was raised a few minutes ago by the gentlewoman from Illinois; that is, the question of troops to Europe. I think one of the arguments that has been made in favor of this bill is that we would support the troops of those countries and provide them with the arms to fight their own battles. I think the gentleman from Minnesota and the gentleman from Arkansas followed up with a point well taken, that we do not realize, I think, in this country the moral force which an army of ours has when it is on foreign soil in keeping back the threat of Russia's aggression.

To take the best example, does anyone in this House believe that the North Koreans would have attacked the South Koreans if there had been present at that time on the Korean soil an American army such as we had there less than 18 months before that attack took place? I think that is the thing you would have in this troops to Europe under this situation. There has been a great deal of argument as to how much it should be, but I do think it is important to bring out that point as proof that we can turn back this threat of Russian aggression by the presence of troops here.

Mr. HAYS of Arkansas. I thank the gentleman for his observation, and I think it is a helpful one. I agree that the gentlewoman from Illinois, who always speaks to the point and who makes a real contribution to our discussions, has raised an important point. I agree with what the gentleman said about the moral effect of the presence of our troops where they are needed to inspire confidence on the part of our allies and to share in this total enterprise.

You have to see it in those dimensions. It is a matter of making the military assignments to the team members on the basis of their respective abilities and potentialities. For that reason, the reference of the gentleman from Minnesota [Mr. Judd] to Holland was relevant.

The United States is entitled to raise the question as to whether our contribution in land forces would be disproportionate, at a given time, but it cannot

be resolved on the right basis unless we act in the team spirit and unless the discussion is entirely free from incrimination between the team members. One of the witnesses before our committee said that the greatest mistake we could make would be to think in terms of a wall of human flesh to resist a potential aggression. But all of these factors are being carefully evaluated. They are being evaluated with the purpose of getting America entirely out of Europe, as strength is built up and dangers pass. There is no question about that being a part of our calculations.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. O'HARA. The gentleman is honest enough, I am sure, to concede that if we have 400,000 troops in Europe when a war may break out, that we are going to be committed to send many more troops over there to try to save as many men as we have there. I am sure the gentleman is honest enough to see that that enters into the picture. It is not only a question of morale and the spiritual effect of having these troops there, but there is also the question of America being committed so that we will be dragged into the battlefields of Europe from that point on.

Mr. HAYS of Arkansas. If the gentleman would prefer to fight a battle on our own soil in defense of the things I know, in the final analysis, he would fight and die for, then the question can easily be answered in his mind. But there are military factors which would make it more desirable to build our defenses where we can be strongest.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JUDD. There can be no question on the gentleman's point that the use of American ground forces in Europe is a temporary matter to help hold the line or fill the gap until the manpower of Europe can be mobilized and equipped. That is what the program is about.

Mr. HAYS of Arkansas. I intended to say that. I am glad to have the gentleman confirm my opinion.

Mr. JUDD. I am glad to confirm it because it is true. General Eisenhower himself said repeatedly that no people can long be defended from the outside. In the long run, the defense of Europe has to be by the Europeans themselves. But, in the meantime, if we do not give them this assistance for the next 2½ or 3 years, they will be taken over before they have a chance to build up their own strength. This whole operation is to get them to the point where they can stand on their own feet without our forces.

Mr. HAYS of Arkansas. I thank the gentleman very much.

Mr. Chairman, I will not take any more time now.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. Woodrow W. Jones].

Mr. WOODROW W. JONES. Mr. Chairman, I make no pretense of being an expert on foreign affairs or to being thoroughly acquainted with the many

new and complex theories of economics now prevalent in our national and international thinking. However, during the past several months, I have made a study of our over-all foreign economic-aid program, and have reached some definite conclusions in my own mind. In discussing H. R. 5113, I desire not only to point out some of the things which are contained in this bill but to give a brief review of our economic-aid program for the past 11 years.

Although not a Member of Congress when the Economic Cooperation Act was enacted into law and the huge sums of money appropriated in compliance therewith, I found myself generally in accord with the fundamental purpose of that act. I realized, as others realized, that through economic chaos and collapse in the war-devastated countries of Europe, communism could breed, flourish, and conquer if some sort of assistance was not made available to those nations. I felt and believed that it would be in keeping with our fundamental principles and concepts of government in the proper defense of our country against communism to extend to those war-ravaged countries a certain amount of economic aid in an effort to prevent communism from taking over those nations. In viewing the situation in Europe today, after more than 3 years of operation of the Economic Cooperation Administration, we see that great progress has been made and that, no doubt, France, Italy, Greece, and other nations have been saved from communism by our aid and assistance. While we can point with pride to the tremendous accomplishments in France, Italy, Greece, and a few other countries, we must at the same time admit that huge sums of this money have been wasted and spent foolishly. While admitting the advisability of the expenditure of a certain amount of money in the form of economic aid to other nations of the world under the ECA program, I do not and I shall not admit or support the view that this type of program or any other type of foreign-aid program should become a permanent part of our governmental program or foreign policy. Let me warn you now that many of the so-called planners are beginning to think and speak in terms of making this sort of program a permanent part of our foreign policy and governmental program. They are beginning to say that we must pour billions of dollars every year into the other countries of the world and, particularly, into the so-called backward nations of this earth. This type of planning calls for tremendous health programs, power projects, irrigation and reclamation programs, road construction and development projects, and agricultural and educational programs. The survey for all of these projects has already been made and in some countries huge dams for power projects already constructed. Although we have said to our people here in America that flood-control dams and many other projects must wait until the war effort is over, the ECA has nevertheless gone forward with these programs in other lands at the expense of the American taxpayer.

In looking over the report of the Economic Cooperation Administration for the period ending March 31, 1951, we find that since the inception of the Marshall plan 3 years ago, a total of \$12,300,000,000 has been made available to ECA to carry out the European recovery program. Call the roll of nations participating and look at the huge sums of money allocated to these countries—France, \$2,211,000,000; Germany, \$1,189,000,000; Italy, \$1,213,000,000; United Kingdom, \$2,696,000,000; Ireland, \$146,000,000; Trieste, \$31,500,000; and on down the line. Nation after nation has received millions of dollars from the pockets of the American taxpayer and it continues until this good hour.

But this review of the cost of the ECA does not give us a full and complete picture of the total economic aid which our Government has been pouring into the other countries of the world. A complete study of our total economic aid program to the other nations reveals indeed some astounding figures. We find that from July 1, 1940, through June 30, 1951, a total of 11 years, our Government spent or had available to spend, the colossal sum of \$98,227,074,000. According to the figures provided by the Legislative Reference Service of the Library of Congress, the total sum spent as of December 30, 1950, amounted to \$84,081,074,000. This same report points out that there was available and unutilized from prior appropriations and from the appropriations authorized during the fiscal year 1951, the additional sum of \$14,146,000,000 which would be available for expenditure during the fiscal year ending June 30, 1951. When the sums of \$84,081,074,000 and \$14,146,000,000 are added together, we have the colossal sum of \$98,227,074,000. Again, call the roll of nations who shared in this over-all, total economic aid program and you can hardly think of a nation which has not shared in this fund. This aid consists of grants and credits extended and covers, as I pointed out before, the past 11 years. Let us take a look—the British Commonwealth, well over \$38,000,000,000; France and her possessions, over \$7,000,000,000; Russia, \$11,464,163,000; all of the South American republics, India, Italy, Germany, Ireland, Israel, Czechoslovakia, Poland, and practically every other nation under the sun have shared in this aid program. A review of the list of nations aided and the amount extended makes one wonder if we have not lost all sense of values and if we are not treating the American taxpayer's dollar as if it were so much sand on the beach.

But you say, this was all a part of the cost of World War II. It is true that huge sums were expended during World War II under lend lease and other types of economic aid which can be attributed to the cost of the war and our ultimate victory. However, a close look at the record discloses that the total economic aid during World War II amounted to \$49,223,875,000. This leaves the tremendous sum of \$49,300,199,000 as the total amount of economic aid since the close of World War II. Let's look at the record of this economic aid since July 1,

1945, and using the same figures provided by the Legislative Reference Service of the Library of Congress. This report indicates that as of December 30, 1950, we had spent in economic aid to the other countries of the world, the total sum of \$34,857,199,000 and that there was available to be spent by the end of the fiscal year ending June 30, 1951, the additional sum of \$14,146,000,000. And these two figures together and you get the total sum of \$49,003,199,000.

Again, call the roll of nations receiving this economic aid and credit extended since the end of World War II, and it is hard to find a nation, however small and insignificant, which has been overlooked. Whether this nation had assisted us in the war effort or could assist us in our fight against communism didn't seem to matter. Even Russia, after the war, received from this Government of ours in grants and credits extended, the high sum of \$687,987,000. A close look at the record also discloses that Czechoslovakia, Poland, and Hungary, all behind the iron curtain now, have supped at the economic table spread by the American taxpayers. Add to all of this the more recent grants and loans to Yugoslavia and India and you have our economic aid and credit program to the other nations of the world up to this good hour. It is true that some small parts of these funds have been repaid by reverse lend-lease and otherwise, but some of the charges made by some of our allies to the account of reverse lend-lease are indeed shameful as well as ridiculous.

Assuming for the sake of argument, but not admitting, that these huge sums were not only necessary in our fight against those forces which would destroy us, and that the money was well spent, the burning question today is, "How much further can we go? Can we afford to continue in our economic assistance to the so-called friendly world?" The bill before us today calls for the total sum of \$6,013,000,000 for military aid and assistance, and for the additional sum of \$1,780,750,000 for further economic aid and assistance. Secretary of State Dean Acheson, in testifying before the committee considering this bill, stated that it now appears necessary during the next 3 years that we spend the additional sum of \$25,000,000,000 in aid and assistance to the other countries of the world. Where is the end?

We must ask ourselves this question and leave the answer to every man's conscience. "Can we rearm ourselves to the extent that we are prepared for any eventuality, and rearm the so-called free nations of the world, and at the same time shoulder the responsibility for the well-being and support of the economic system of all the other free nations of the world?" Pray tell me, how can we provide the weapons of war for ourselves and our Allies, and at the same time pour billions of our tax dollars into the economic blood stream of those countries? Pray tell me, gentlemen, how we can continue to spend billions upon top of billions of the taxpayers' money, and constantly add billions to our public debt, and remain a solvent nation. I know and you know that if we continue

the present rate of Federal spending that national bankruptcy will stare us in the face. Already our people are burdened with a public debt of more than \$255,000,000,000 and soon to be saddled with a tax burden the like of which this country has never seen before. Every indication is to the effect that this tax burden must become heavier and heavier in the years to come. How much can our people stand? We are now reaching into the weekly pay check of every textile worker and wage earner in my district and in yours, and taking therefrom huge bites of their hard-earned money. Next year the bite will be bigger, and if some of this spending is not curtailed, only God in His wisdom knows what the future holds for them and the other citizens of our country. It seems that the only forgotten man in the world today is the American taxpayer.

I am not an isolationist and have never been. I firmly believe in our preparedness program and extending military aid to our allies. I also firmly believe that to extend military aid in a reasonable amount is as far as we can go now. This is particularly true in view of the vast sums of economic aid already extended. Yes, we emerged from World War II as the leader of the free world, and the tremendous burden of stopping communism rests squarely and almost entirely upon our shoulders. We must act as reasonable men and not let the hysteria of the hour override our judgment. If we bankrupt this country, then we will not need our weapons. Communism can march at will. I firmly believe that our best defense against communism is to make and to keep this country strong from both a military standpoint and from a financial standpoint. In my humble opinion that will do more to stop communistic aggression than anything else we can do. The only language the Communists know, understand, and respect is force and the threat of force.

I shall support the huge appropriation in this bill for military assistance to the Atlantic Pact nations and to other nations who show a willingness and the ability to fight communism, but I do not, and I cannot, support any further economic aid to any nation. I have reached this conclusion after serious thought and consideration, and feel deeply that it is for the best interest of our country and our allies. I think that when the allocations heretofore made are expended, that we should call a halt to our economic aid. We should say to those friendly nations that we have assisted them in bringing their system of production back to and above the prewar levels. That they must now operate their economic system without any further help from us. We can say to these same nations that we will materially assist them in the burden of providing war weapons to defend themselves in the fight against communism, but we cannot assume forever the burden of keeping their economic system healthy.

I know that there are those who will say that Europe is expecting this aid, and that the bill has been introduced calling for this economic aid—that if we fail to grant this additional aid, those

nations will become discouraged and will not make a serious effort to defend themselves. I have heard that argument and similar arguments many times since coming to Congress, and if we adopt that practice, then any sort of a bill calling for aid to foreign countries will have to be passed. Can any nation in the world doubt that we mean business in this fight against communism? We have adopted a \$56,000,000,000 defense bill and almost a \$5,000,000,000 bill for the construction and expansion of military bases. We have, as pointed out heretofore, provided all of this economic aid to the friendly nations. In addition to all of that, we are now saying to the world that although we have provided vast sums in the past for your economic good, we are now nevertheless willing to help provide the weapons of war for your own defense. In view of all this, can any nation doubt that we mean business in our fight against communism? Can any friendly nation say we are retreating in any respect and have any grounds for such contentions?

While we are thinking of Europe and Asia, we must at the same time think of America. We must give some thought and consideration to the financial condition of our country and to the burden which we are placing upon our taxpayers. In my humble opinion, the interest of our country demands that we strike from this bill all sums allocated for economic aid and assistance. That same interest, that is the interest of our country, calls for a reasonable appropriation for military assistance to the other friendly countries of the world. In closing, let me remind you of this basic fact—if we bankrupt this country, there is no nation on the top side of the earth to extend to us any economic aid for our recovery and rehabilitation. If we bankrupt this nation, democracy will perish here at home. If democracy perishes here in America, the light of freedom will be out for a thousand years.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the bill now before the House is designed to maintain our security and promote our national defense by furnishing assistance to friendly nations as a means of strengthening the cause of international peace and security.

The desire for peace is basic in America. We have always been willing to make sacrifices in an effort to provide peace and avoid the ravages of war. Thus, our people are in accord with the general purpose or objective of the bill. However, there is real concern among our people as to the extent to which we as a people can carry the heavy burden, now weighing so heavily upon us, without danger to our own economy.

It is agreed by all that there is a limit to the obligations that we as a nation can safely assume. This is particularly true with respect to heavy commitments for foreign military aid at a time when the expenditures for our own Military Establishment will reach astronomical figures. This amount is greater than during any peacetime in the entire

history of our country. Only a few days ago the House approved a \$56,000,000,000 military appropriation bill for the present fiscal year. In addition to this, there have been many other appropriations and authorizations for military purposes that increase the amount many more billions of dollars. In addition to the military aid we extend to other nations, there are also the vast sums already given and which are now sought to be authorized for economic aid. This and other Government expenditures has resulted in proposed tax increases far beyond anything heretofore experienced in this country. Thus, while we have the desire to help, there comes a time when we cannot do all that we might desire to do, or that might seem necessary to do.

The objectives of this bill, as I have already said, are worth while and undoubtedly have wide support, but the extent or the amount of aid to be given is one that does concern the future welfare of our country and its citizens. This feature of the bill requires the utmost consideration and thought. Failure to observe the limitations that our own necessities require could easily lead us into a weakened financial position that would prove disastrous not only to ourselves, but to the whole world.

Frequently we hear the thought expressed that Russia is seeking to bleed us white. This strategy is undoubtedly based on the theory that if the financial structure of America is broken down then we will neither be able to assist other countries or effectively defend ourselves. The Korean incident that has already cost us billions of dollars and thousands of casualties is an example of how Russian strategy works to accomplish its purpose of bleeding America white. It seems that Russia's ability to create fear and thereby increase our expenditures to meet its threats, at home and abroad, is almost boundless. The time has come, in my opinion, that our country must demand and obtain a larger degree of self-help from the other nations with whom we are allied. The economic rehabilitation that each of these nations has reached as a result of our aid, it seems to me, has been sufficient for us to expect them to do more for themselves in promoting the mutual security program, than is now being done.

I realize that the Committee on Foreign Affairs is aware of the importance of this viewpoint I have expressed, as it has decreased the amount to be authorized by several hundred thousand dollars before reporting the bill to the House.

In the opinion of many, our own national welfare demands a further reduction in the amount to be authorized. To do so is not any indication of a desire to escape our obligation for promoting or maintaining world peace, but a realization that we can best help the cause of world peace by keeping our financial structure on a sound and stable basis.

I trust that without lessening our zeal for world peace, and a cooperative effort to maintain it, that we will, nevertheless, be realistic enough to recognize the necessity of keeping this country financially strong to the end that we may do our full part.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, we have heard a lot about obligations we have undertaken to Western Europe. I think it is time we heard a little about the obligations Western Europe has undertaken to us.

Let us remember that the North Atlantic Treaty is a two-way street. Europe has said it will lay down its life in defense of the United States, equally with that the United States has said its soldiers and its material will be put into the struggle against Communist aggression.

Let us understand, too, that Western Europeans have taken quite a beating. They know what war means at first hand. They have been fought over and occupied. So it is a much harder decision for them to make to resist than it is for us. If all Western Europeans wanted to do was to just save their own skins, they could save their bare lives, or at least most of them, except for those who went to slave labor camps, or those who were shot for being "deviationists"—they could save their bare lives by surrendering to the Russians tomorrow.

Obviously Western Europeans have no such thing in mind. The best assurance of the fact that Western Europe has the will to fight is the fact that in face of Soviet threats and fulminations about war mongers and a ring of military and air bases, Western Europe has undertaken this obligation under the North Atlantic Treaty to fight on the front line for the defense of the whole world. That was a daring thing for them to do when, in terms of military armament they had such meager defenses. We are seeing to the fact that they are not without means for defense. That is one of the essential purposes of this bill.

The other essential purpose of this bill is to show that American leadership in the free world knows where it is going.

I would like to state clearly the effect of this bill. It means that those who want to go it alone—and there are some in the United States who want to go it alone—they will vote against this bill. What is the use of spending money to help allies if you want to go it alone? But the people who want allies, the people who fundamentally take the philosophy of General Eisenhower, are going essentially to vote for this bill, though they may differ on it in details.

In my view, this is going to be the pay-off vote in this Congress, as to whether Members want allies or whether they want to go it alone.

I would like to confine my own particular part of this discussion to one major phase of the bill, and that is what are we doing to look ahead to tomorrow? Where do we go from here? Is this just a matter of taking money from the revenues of the United States and turning it over for economic and military aid all over the world and does it just go on and on? Let us understand that this bill is broadening the whole program to include other areas of the world, the Far East and the Near East and Africa as well as the other American Republics.

Are we looking forward to some solution even if the Soviet bloc continues to be truculent and aggressive? Even if they refuse to agree upon armaments control and do their best to immobilize the United Nations? Even if, as many expect, tensions and localized aggressions and subversions go on for 10 or 20 years without a major war? I say we are looking forward. We are not as all-powerful, we are not as rich, we may not even be as productive, due to limitations imposed by raw materials, as we think. The real hope for the free world is that we look forward to some solution, but in order to look forward we have to undertake this program.

A very magnificent job was done in outlining what we have to look forward to by the International Development Advisory Board, which was headed by Nelson Rockefeller. Unless our committee had rescued that report—Partners in Progress, March 1951—from the discard, it would have gone almost completely unnoticed in this whole discussion. That report brought out the ultimate truth that the United States is dependent for 73 percent in value of all of its strategic materials on underdeveloped areas around the world, which this bill is designed to aid—rubber, tin, manganese, copper, bauxite, lead, and zinc. That the only way in which we will be able to effectively defend against communism—and everybody, including General Eisenhower, has doubts about the eventuality of an all-out war—the only way we can finance this defense is if we raise the wealth production, not alone in the United States but throughout the world. The areas that have the greatest potentialities and capabilities in this respect are the underdeveloped areas. In other words, if we raise the production of food and raise the production of critical raw materials, particularly in the underdeveloped areas, then we will be able to sustain this program.

Let us understand the stakes for which we are fighting. The Soviets want to capture the undeveloped areas of the world, with the 1,075,000,000 people in them. They constitute 46 percent of the world's people in 50 percent of the world's area as against 31 percent and 24 percent for the Communist bloc. Just to get an idea of where these people stand, they have an average annual income of \$80 a year. The comparable average annual income in the United States is about \$1,400 and in Europe it is about \$470. This \$1,000,000,000-plus people has an annual gross product less than one-third that of 150,000,000 Americans and 20 percent less than one-fifth as many western Europeans. So they are way down in the economic scale. They are the people for whose alliance and freedom we are fighting with the Communists.

They are the people whose wretched conditions of living offer the Communist propaganda liars their best opportunities. They are also the very people whose resources can make the free world viable and impregnable.

The Committee took full cognizance of that, and the Committee understood that in order to get the wealth base that we have to have in defending against

communism we have to improve the economic condition of the underdeveloped areas and to create new means for financing such wealth creation, not just relying on the American taxpayer.

Members will notice in section 605 of the bill that the Committee is calling for action with respect to the organization of international finance agencies under the International Bank for Reconstruction and Development, which has a substantial amount of capital and which has shown great ability in securing money through public bond issues.

The Committee has also called in its report, for consideration of the merger of the International Bank and the International Monetary Fund, which could add over \$2,000,000,000 to the resources of the International Bank in order to enable it to do international financing commensurate with the size of the job necessary to have us see some daylight.

In addition I call attention to section 605 (b) on page 31 of the bill. The Committee has required that the Administrator recommend to the Congress action to utilize these resources which we put at his command in order to obtain very materially increased participation by private enterprise in the international development program that we are authorizing. Finally, we request the proper agencies of the Government to undertake negotiations with foreign governments to remove the barriers to such participation—something which can be done through the negotiation of commercial treaties, as my colleague the gentleman from Massachusetts [Mr. HERTER] has been pointing out for a very long time, negotiating reciprocal tax arrangements and making similar approaches to the problem of getting private enterprise to use its full potential in this effort. Our Committee has gone into this program in its various angles to see that demands on the United States are cut down very materially by international financing and that it be carried on in greater part by private enterprise.

We understand that what we need to make the mutual-security program viable, what we need to make it work is increased wealth production throughout the free world. The leverage is enormous. We are proposing to expend this year \$71,000,000,000 in the United States for our national budget and something in the neighborhood of \$60,000,000,000 of that to represent arms and armament. That represents roughly 20 percent of our gross national product, which is running at the rate of \$330,000,000,000 a year. If through increased productivity and increased wealth production which can be stimulated throughout the world we can step up our national income to \$400,000,000,000—and also step up the rest of the free world's income, which is comparable in total with our own, another \$100,000,000,000—then we have got a base on which the defense budget represents but 15 or possibly 10 percent of the gross national product of the United States. That is the direction, as I see it, in which we must move, and that is the direction upon which this committee has now set itself.

This is the object in view in setting up one unified administration under one administrator. The committee wants an administration which can command the faith of the Congress and which can be depended upon to do that particular job which I have described of cutting down the demands upon us. The committee feels that it has proposed such an administration in the bill.

One final point which I think is very important. Everybody wants to know how this is going to come out: Is there going to be war or is there not going to be war? Are we going to be able to live peaceably with the Russians or are we not going to be able to live peaceably with the Russians? Nobody seems to be able to answer it. Yet one very logical answer is that as the Russians feel that the only ground in which they can cultivate communism is the ground of economic and social distress then by dedicating ourselves as world leaders—which we irrefutably are today—goes a long way to eliminate the causes of economic and social distress in the free world and we will be depriving the Russians of any opportunity or any prize to fight for either by internal subversion or external aggression.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HERTER], and may I say that the gentleman from Massachusetts [Mr. HERTER] is the third of the Members of the minority who were recently in Europe and can tell us first-hand about this program.

Mr. HERTER. Mr. Chairman, it is obvious that in the comparatively brief time that is allotted to any individual during the course of debate of this kind, the entire scope of the bill cannot possibly be covered. I want to confine myself to that part of the bill about which I think there is considerable misunderstanding, namely, the relationship of the purely military supply function of the United States and the so-called economic help for military purposes which is contained in the bill.

When our committee went to Europe, a number of us formed a subcommittee to examine in great detail the exact way in which calculations were made which led to the figures which appear in the bill now before us. The process was roughly as follows: The military services, as represented today chiefly by General Eisenhower and his associates, began with the war plan. That war plan is, of course, a confidential document. But it included within it the furnishing by the different nations of Europe—the 12 nations that were party to the NATO agreement—of a number of divisions from each country, all of which would be subject to the command of the central commander. Once it was determined and agreed upon as to how many men could be furnished by each nation, the question arose as to the extent to which each nation could equip those men so that they could become effective soldiers.

There a study had to be made, not alone by the military but by the economic experts, the ECA and our own diplomatic leaders. That study was essentially a commercial and industrial study. It was a study as to the potentials of each coun-

try to produce war matériel with which to equip their own soldiers or which they could deliver in surplus to equip the soldiers of other forces serving in the same combined army. That was a very difficult calculation to be made, but after that calculation was roughed out, then an effort was made to estimate the gap between what the nation could furnish itself and what represented reasonably decent equipment for reasonably effective fighting men. The table of organization used was not the American table. It was a much more liberal table in the sense it produced more fighting men with fewer in the rear than the American table of organization provides, but at the same time fewer men at the front than the Russian table provides. The gap, which only the United States can fill, is what is represented in this bill.

But that is only a part of the story. In ascertaining what the countries could do for themselves in the way of converting their industry to war purposes, some very serious calculations and serious considerations had to be met.

These countries through the Marshall plan have only just begun to get to a point where the standard of living of their people approximates that which preceded the war. Their productivity has gone beyond the prewar period, but that is because the Marshall plan concentrated largely in capital goods and the effect of the capital goods which are today increasing the productivity of Europe has not yet been reflected in the standard of living of the common worker.

If today there were no military problem in Europe, there would be only three areas in Europe that would need so-called economic aid—Greece, Trieste, and Austria. Italy would probably need some help in addition.

But what we are asking in this mutual assistance operation is that the nations of Europe turn their productive facilities from peacetime production to wartime production, and that can be done in only one of two ways: Either they must have help from the outside, or else they must reduce their standard of living. That is the simple problem that is faced by this question of economic aid. Are we going to give them help in converting their industry to a wartime basis, or are we going to ask them to do it themselves and drive down the standard of living of their own people and run the risk of losing everything we are trying to save by having their countries go Communist without having a shot of any kind fired?

Take a country like France, for instance. Today it can convert a considerable part of its automotive industry into the making of vehicles, some of them armored, some not armored, that are necessary in wartime. They can make some airplane parts. Every time they turn a factory from making civilian goods, such as ordinary automobiles which they can sell in South America and elsewhere, it means that they are impoverishing their own country from the point of view of earning foreign exchange with which to buy raw materials to keep their industry going or to purchase foodstuffs with which to feed their own people. You have that problem in

every single nation in Europe, and it is for that reason that this so-called economic aid for military purposes is being asked for in this bill.

As the chairman of the committee pointed out in his opening address, it is every bit as important in securing the objectives that we all have in mind when we bring this bill before you as are the pure military end items which come from the production lines of this country. Let us examine another country. The British have shown an extraordinary fortitude in this picture. There is no economic aid provided, however, in this bill for them. There are some military end items provided. The British are actually lowering their standard of living today over what it has been over the last 5 years in order to meet their military commitments.

They are getting 15 cents worth of meat per week to eat and the Government will not allow them to import any more. If you, as a resident of Great Britain, wanted to buy an automobile, you would have to wait between 4 and 5 years on the waiting list, since four out of every five automobiles that they produce are shipped abroad in order to earn dollars which they can turn into foodstuffs in order to feed themselves. In addition to buying an automobile, you would pay a sales tax of 66½ percent on top of the export sales price. If you go into a store in England, the wares are beautiful. Most of those wares, almost 90 percent, cannot be bought by any British citizen they are on show for export only in order that the British can earn enough foreign exchange with which to buy the food with which to live. Their standard of living is actually lower today from the point of rationed food, rationed clothing, rationed everything, than it was at the end of the war. But there is no economic aid for them.

You have a comparable picture throughout the entire European field, although, obviously, the effort each nation is making differs from that of other nations. Some are making extraordinary sacrifices; others clearly need the encouragement that the kind of help we are offering here will give.

Unhappily, many Europeans are asking whether if they have to make this tremendous military effort in order to survive it might not be better to take the risk of being overrun by the Communists. That is the thing that is running through their minds everywhere in Europe. It is something that has to be combated and can be combated and has to a large extent been combated by our forces in Europe and by the fact that they have seen tangible aid in the form of guns and tanks and planes coming to them.

I think I have very nearly completed the story. The point I have been trying to make is the one that was emphasized at the very outset by the chairman of the committee, that much of this economic aid, so-called, might, in a sense, be an economy for us in trying to achieve our objective.

That objective ought to be restated and restated often, so that there is no misunderstanding about it here on the

floor of the House. That objective is to get Europe into a position where with its own men, its own replacement parts for military equipment, its own supplies for its own troops, it can defend itself against any threat that may come from the east, certainly as far as ground power is concerned. We may have to help for a considerable period of time from the point of view of air and from the point of view of the sea, but certainly General Eisenhower has made perfectly clear that this program is a program that may take 3 or 4 years, but a program designed to make Europe strong enough on the ground so that American ground troops can be returned to this country and Europe can carry on for itself.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Does the gentleman think the Russians will wait for 5 years for us to build up these forces?

Mr. HERTER. It is a calculated risk we are taking in any of these programs. It is a question of how fast we ought to move. If we felt an attack by Russia was imminent in the next 18 months or the next 12 months, possibly we ought not to undertake any part of it. But then we would be saying deliberately, "We are not taking any risks, we are handing over Europe, lock, stock, and barrel, without a fight of any kind, to the Russians." It takes time to get strength.

Mr. VORYS. If the Russians attack now they are taking a little risk on account of the A-bomb.

Mr. HERTER. That is correct. There are certain very obvious deterrents.

Mr. KENNEDY. If it is advantageous to us to hold Western Europe, is it not equally advantageous to Russia to take Western Europe, to take away Western Europe? If it is going to take 3 or 4 years at the rate Western Europe is going to develop sufficient forces to defend Western Europe, does the gentleman believe they are going to wait that long? If this job is going to be done, does it not have to be done in 15 months? If it is longer than that, is there not a chance that the Russians will move into Western Europe?

Mr. HERTER. Yes; but what we are trying to do will lessen the chance. The job would be done only at a point where the strength of Europe would be so overwhelming that it would be absolutely foolhardy on the part of the Russians to attack. Until you get to that point, you are always taking a calculated risk that they would like to take the chance of coming in. Frankly, I am surprised they have not come in before this.

Mr. KENNEDY. Exactly.

Mr. HERTER. I think many people have that feeling. There must be deterrent reasons why they have not done it. Some of the reasons were given to us by military men. Very cogent reasons were given to us. Perhaps they are right in their calculations. This is all a calculated risk. If we are going to let Europe go without any effort of any kind whatsoever, we know exactly what the productivity of Europe in Russian

hands means to us over a long period of time and what a real danger that is.

Mr. KENNEDY. Are not those reasons that are now deterring the Russians going to become less effective in a year? Unless we supplement the force on land in order to deter the Russians, the deterrent now in effect, the monopoly of the atomic bomb, will become less effective in a year.

Mr. HERTER. There is no question about that.

Mr. KENNEDY. The difficulty is that this is going to take 3 years. It is going to take until late in 1953 or early in 1954, until you have the 80 divisions that are going to be necessary to deter the Russians.

Mr. HERTER. We are stringing this thing out for reasons that have to do entirely with the internal economy of the United States, and nothing else. The stringing out of this problem of rearmament has nothing to do with the manpower which is being offered in Europe. Europe is offering more manpower than we can equip or Europe can equip.

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I wish to thank the committee for allowing me this time. I rise primarily to discuss an amendment which I propose to offer. I do not care to comment on the merits of the bill as such, except to make a few observations as background for the amendment.

I think this is one of the most important measures that the House has considered in this session of the Congress. First of all, it is important because foreign affairs are more important today, in my judgment, than any other phase of our Government affairs. Second, this bill is important because it seems to me, it is the initiation of a permanent program in economic affairs in the international field. It creates what is in effect a new department of the Government with an administrator with status equal to that of the Secretary of State in the sense that any disagreement between them can be settled only by the President. Third, it is important because this program entails huge expenditures. We are presented with a program of \$7,800,000,000 for the current fiscal year. That is not the end; that is the beginning of the program. Secretary Acheson has testified before the Committee on Foreign Relations of the other body that the program is more on the order of \$25,000,000,000 over a 3-year period. I say to you, I doubt very much that the 3-year period will end the program. This program may be with us over the next 10 years or it may never end. Therefore, this measure is of the utmost importance. It seems to me because the basic questions of policy are so fundamental and so difficult that we ought to give extremely careful consideration to it.

I want to contrast the possible total expenditures of this program, which may be on the order of \$100,000,000,000 over a period of 10 or 15 years, with existing private investments by United States nationals in foreign areas because that

is the subject with which my amendment deals. I have been trying to get some figures on private United States investments in foreign areas. You might be surprised to learn that there does not seem to be any authentic agreement on what our investments abroad are. Mr. Miller, Assistant Secretary of State, in an address of June 7, 1951, pointed out that nearly \$6,000,000,000 of United States capital was invested in Latin America with a total in the entire world of something like \$13,000,000,000. That is less than twice the annual governmental expenditure in this program which is before us today. Think of it—all of the private American money that is invested abroad does not amount to twice as much as the public funds we are passing on here today. But that figure is not agreed to by other sources. The Legislative Reference Service of the Library of Congress says that in 1949 the United States investments abroad were \$19,112,000,000. But the Coordinator of Information of the Congress says that investments abroad in 1947 were \$16,700,000,000.

Similarly, I tried to get figures on the investments of foreigners in the United States. There, the agreement seems to be closer; something over \$12,000,000,000. I have a figure of \$12,600,000,000 from the Coordinator of Information and \$12,300,000,000 from the Legislative Reference Service.

Just for purposes of comparison I wanted to find out what was the total investment of private capital in the United States. There I had greater difficulty. The Coordinator of Information gave me a figure as of 1938, total United States private investments \$309,430,000,000; but in 1949, the Legislative Reference Service says, according to figures based on Department of Commerce statistics, the total national wealth of the United States was \$600,000,000,000, which probably is a more reliable figure.

That forms the background for the amendment which I propose to offer, and in the House I will ask leave that it be printed in the Record. This amendment would deal with the general provisions of the act. It is intended to introduce it under section 605, after clause (b). In substance, it is a bill which I introduced on April 23, 1951, to create a commission on aid to underdeveloped areas. The purpose of this commission would be to find out why private capital is not being invested in those underdeveloped areas more extensively than it is, on the theory that the development of natural resources is, according to our economic philosophy, an undertaking for private citizens, rather than an undertaking for the government.

I think there should be no disagreement in this House to the proposition that we should aid and encourage the investment of private capital in foreign areas. I doubt if there is. I call the attention of the House to the fact that subsection (b) of section 605 of the committee bill has exactly that objective. It provides:

The Administrator is requested to recommend to the Congress such action as will, in his judgment, be desirable to eliminate the barrier to, and provide incentives for, a

steadily increased participation of private enterprise in developing the resources of foreign countries, consistent with the policies of this act.

The only difference between that provision and the amendment which I propose to offer is that I feel that a request of the Administrator is rather meaningless. I point out that there has been nothing to prevent the Department of State or any of the other foreign agencies of this Government from making an effective attack on the problem of reducing the barriers between countries so that natural economic forces can operate to develop natural resources according to the philosophy on which this Government is based. A request by Congress is weak.

We need to enlist the Congress and private citizens in the attack on this problem if we hope to get anything better or different than we have been getting from the executive branch of the Government in this field.

I have listened to the previous discussions with considerable interest. I wish to refer to the remarks of the gentleman from Wisconsin. I think we should give thorough consideration to his comments. I wish to refer specifically to that aspect of his remarks in which he pointed out that this combat with communism is not a combat that can be concluded with bullets and with bombs. I want to add to that observation only this: that, in my judgment, it is not a combat that can be concluded with dollars. Some of us had the opportunity to hear an interesting address by a former Communist a few weeks ago. He argued that in the combat between capitalism and communism we are really dealing with religious warfare. We are dealing in the field of ideas. We are dealing in the realm of the spirit. It seems to me that unless we have faith in our system equivalent to the fanatic faith with which the Communists evangelize their system, we are not going to win in the ideological battle. It is precisely for that purpose that I will offer my amendment to this measure.

I propose that we have an opportunity to express our faith in the American system of free enterprise, which is based upon the principle of equality of opportunity. It is not enough to provide orations or exhortations to those countries that have different systems and whose peoples are enslaved by feudalism and caste systems. We must prove to them that our system works. When we do actually encourage the investment of our people in other areas and create the friendship which those investments will accomplish, I say we will demonstrate to the people of the world that the American system of free enterprise is superior to that of totalitarian state ownership and state control of the processes of production and distribution.

I say that the energy of a free people far exceeds the organization of an enslaved economy, and we ought not to be afraid to demonstrate that superiority. We ought to be proud of our system, and we ought not in our dealings with foreign governments to emphasize the activity and the expenditures of our Government which are likely to be consid-

ered similar to the system of Russian communism. We ought to stand up for free enterprise if we believe in it, and this amendment will give the Members of this House a chance to do that.

The text of the amendment I propose to introduce is as follows:

Insert on page 31, after line 21:

"(c) (1) To assist in carrying out the purposes of this act, through encouraging and facilitating the development of the natural resources of foreign areas by the investment of private capital and eliminating barriers to and providing incentives for engaging in business enterprises in such areas by persons or business organizations who are nonnationals of such areas, there is hereby established a bipartisan commission to be known as the Commission on Aid to Underdeveloped Foreign Areas (hereafter referred to as the "Commission").

"(2) (A) The Commission shall be composed of 14 members as follows:

"(i) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(ii) Two Members of the Senate appointed by the Vice President; and

"(iii) Two Members of the House of Representatives appointed by the Speaker.

"(B) Of each class of members, not more than one-half shall be from each of the two major political parties.

"(C) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(3) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(4) Eight members of the Commission shall constitute a quorum.

"(5) (A) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(B) The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(C) The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(6) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(7) The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim,

proceeding, or matter involving the United States.

"(8) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

"(9) (A) The Commission shall study and investigate the problem of aiding underdeveloped foreign areas and shall formulate and recommend to the President and the Congress specific programs for carrying out the purposes of the Act for International Development.

"(B) The Commission shall report to the President and to the Congress from time to time the results of its study and investigation, together with such recommendations as it deems advisable. The Commission shall file its first report within 1 year after the date of enactment of this act, and annually thereafter.

"(10) (A) The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(B) The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(C) The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(D) The Commission, or any committee thereof, shall have power to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section."

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE FOLLY, THE FUTILITY, THE DANGER OF OUR FOREIGN POLICY

Mr. HOFFMAN of Michigan. Mr. Chairman, although this bill calls for \$7,800,000,000, there are fewer than 50 Members on the floor so it may be assumed that most of the others have made up their minds as to how they intend to vote, or it may be that they have all the information they want or that they think those who speak today cannot give any new information.

I listened to the gentleman from Minnesota [Mr. JUDD], as I always do, with a great deal of attention. I doubt—and

I hope he will forgive me for this personal allusion—there is anyone who is more sincere, has greater patriotism, knows more about China, and the Far East, is more desirous of world peace or, may I add for good measure, less realistic, than is our good friend the doctor. He wants to do good to help all the world. He is not the first one who wanted to follow that course. Something like 2,000 years ago we had a situation where peace on earth, good will to men, love thy brother as thyself was preached. Christianity was the then new doctrine. That has not yet been accepted by all the world. That fact should not discourage us in our efforts. But I do not believe that the doctor's program or that of those who are associated with him—I see some of my good friends here who have been earnestly engaged in promoting this policy—I do not believe they will be able to impose their ideas or political philosophy upon the rest of the world by spending dollars or through the use of the sword.

I was greatly interested in the remarks of my friend, the gentleman from Michigan [Mr. MEADER], who comes from the Earl Michener district, when he said a moment ago that this was a contest in the field of ideas. The spirit, he said, must control. But I cannot follow that argument when I remember that so many of those who are for this program advocate the idea of knocking the tar out of these Communists by force if they do not conform to our ideas of the kind of Government we should have.

With all due respect to the views of my colleague, in my humble judgment, it is impossible for us to change the thinking of, for example, the people of India.¹

¹ Editorial from the Dowagiac Daily News of August 14, 1951:

"MISGUIDED BENEFACTIONS"

"Glen Overton, who we regard as a substantial authority on the people of India, in his recent Rotary Club talk, touched upon what we believe to be the fundamental error in our efforts to be of service to these and other races of Asia who are in the process of gaining and digesting new freedoms.

"This error develops from our insistence in changing their way of life to ours. Why should we expect them to abandon customs and habits which antedate ours by millenniums even if we know they could vastly improve themselves? Especially as we know that they are not ready to so completely revolutionize their lives.

"As he said, to do away with their hand-craft methods and introduce mechanized methods and machinery would increase their major problem, that of feeding their teeming millions. The major problem is to increase food production to keep pace with the vast growth in population brought about by the introduction of modern health programs and the reduction of disease. Their land problems are intricate because of lack of acreage. New farming ideas which will utilize more people rather than less must come along with the gradual lessening of drudgery and toil but it will take generations perhaps.

"Mr. Overton pointed out that these Asian people do not want to change their way of life. Does that seem strange to us? We presume he meant that they do not want to revolutionize them faster than they can see the benefits and adjust themselves. We

I have a very distinct recollection of the sound advice given us not long ago by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. He briefly, though concisely and clearly pointed to the folly of dealing with the Communists on any other than at an arm's length basis. He accurately stated something which we should all know, that they cannot be trusted, that they will not keep their word, that it is a waste of time to present an argument because they recognize nothing other than force.

WHY ARE WE HERE TODAY?

We are here today because we have accepted and acted upon theories rather than facts. When we point to the fact that the program of the internationalists has cost this Nation billions upon billions of dollars and more than a million lives, we are met with the stock assertion, "Yes, we admit that, but the situation would have been far worse had we not made the effort." There is no proof of the truth of that assertion. It is nothing but an assumption.

We fought World War I to end all war. It is a fact which no one can deny that all wars did not end with World War I. True, England was not overrun by the Kaiser's armed men, but apparently the seed of socialism was sown and certainly the soil was prepared for World War II.

We fought World War II to carry the "four freedoms" to the uttermost corners of the world. Do the internationalists claim that had that war not been fought, the world situation would today be worse? Do they claim that the "four freedoms" have been established throughout the world? Do they deny that today as one of the results of that war, the American people have less of freedom than they had before? Do the people who live in the colonial possessions of Great Britain, of France and the Netherlands enjoy the "four freedoms"? Where in the world live the people who are free from want, who are free from tyranny or threatened oppression?

The advocates of this plan, of the expenditures of these billions, insist that

insist on regarding them as capable of our accomplishments and ready for them off hand. Only after years of education, trial and error, and adjustment, will these peoples find their place in the modern world.

"To expect so much of them so fast is the current error. We can present our offerings in good faith for their appraisal but to try and force them into ways of life for which they are not prepared is an error which we commit out of our enthusiasms. Perhaps we do not realize that one of the important changes will be an alteration in their religious thinking and that is even more difficult or impossible than in their economic habits.

"The point comes up as Senator FULBRIGHT criticized a proposal of the State Department to send \$4,500 harvesting combines to Iranian farmers whose agriculture is highly primitive. FULBRIGHT suggests beginning at the beginning and show them simple improvements instead of trying to make a grand stand show. Perhaps such a sensible approach does not appeal to the do-gooders and makers-over who are ruining the United States while trying to give others what they do not want."

the dollars, yes and the armed might of our country must be used to prevent a wider spread of tyranny and oppression. Their program has not brought either peace or freedom, nor has it contained communism.

World War II delivered the Chinese people and millions of others into the hands of the Communists.

It is presumptuous, it is evidence of conceit, it is proof of a refusal to recognize the facts, it is contradictory of experience to continually assert that the world, as a whole, would have been in a worse situation had we not followed the advice, the program of the internationalists.

We are here today to make another payment of billions of dollars because we failed to recognize the folly, the futility, the danger, of our present foreign policy.

Putting an army into Europe where it is not wanted will tend to continue world war III.

Some of us derisively named as isolationists who have always insisted that in foreign affairs we should adhere to the policy of avoiding entanglements in the affairs of foreign nations, as we were advised by George Washington in his farewell address, by Thomas Jefferson in his inaugural address, have frequently pointed to the folly, the futility, the danger of attempting to care for the whole world, as this and the preceding administration, the internationalists on both sides of the aisle have insisted we should do, now find that some of those who spoke most vociferously in favor of the present program, who gave it vigorous support, who charged all who opposed it with a lack of humanity and, sometimes, loyalty to our own country, learning from bitter experience, seeing the danger which confronts us, now acknowledge the soundness of our views, the threat to the security of our Republic, if we adhere to the present foreign policy.

This country of ours in its last effort to impose the ideas, the thinking of the internationalists upon the rest of the world, or if you prefer, their sincere efforts to help the rest of the world, have led us since the fighting in World War II ended to spend more than \$100,000,000,000, to sacrifice the lives of at least 30,000 Americans, to impose casualties upon more than 150,000 Americans, to send an armed force of more than 250,000 Americans to the Korean battle front. It is fair to assume that if their plans are followed soon they will have more than one-half million Americans in Western Europe and that ultimately they will have in Europe an American army under the command of an internationalist leader, fighting under an international flag, of no one knows how many million men, for the interest and advancement of a foreign—not our own—people or Nation.

Their proposal, which is before us today, is that we make another payment of \$7,800,000,000 in support of a program which one of the chief advocates of that program, because of our bitter experience, has now repudiated.

Permit me to quote some of the questions to, some of the answers given by,

Mr. Foster, the Administrator of the ECA—Marshall plan—when he testified on Monday, July 13, 1951, when S. 1762, the Mutual Security Act of 1951, was being considered by the Senate Foreign Relations Committee.

The subheads are mine.

COVERING THE EARTH

The CHAIRMAN. Mr. Foster, you seem to have somewhat covered the earth instead of sticking to what you are supposed to do under this appropriation.

How much money are you going to get for your organization out of this appropriation?

Mr. FOSTER. Two and two-tenths billion dollars, Mr. Chairman, and that covers the earth, I might say.

Mr. CHAIRMAN. It ought not. We cannot cover the whole earth and get anywhere, as I see it.

What do you mean when you say it covers the earth?

Mr. FOSTER. I mean by that, sir, that this is an economic assistance program not only to Western Europe, but an assistance program which also helps countries in the free world in South Asia, Southeast Asia, the Far East, Latin America, the Near East and Middle East.

THE PURPOSE OF THE BILL

The CHAIRMAN. The primary purpose of this bill is to aid in arming Western Europe because that, we figure, is a defensive area to the safety of the United States.

I noticed that you spent considerable time in your statement dealing with Southeast Asia. Do you think the Russians are going to come over through Southeast Asia and then attack us over here?

Mr. FOSTER. I have no opinion of the military problem, sir.

Mr. CHAIRMAN. I am talking about the military problem.

Mr. FOSTER. I know there is a great deal of pressure, economic and otherwise, to take over those countries in South and Southeast Asia by either the Communist or the Communist allied satellites and I feel it is definitely to our security advantage that we give aid in order to attempt to offset that.

I think it is in that area that we have numerically the greatest number of peoples who are still in the free world and, as I indicated in this statement, out of that area come to us things that in our own security interest we must have in the shape of raw materials in order to carry on this arming of Western Europe to which, of course out of this bill, is devoted the greatest proportion of the economic assistance.

WHERE WE HAVE OPERATED

The CHAIRMAN. You have operated chiefly in Europe so far under the ECA, have you not?

Mr. FOSTER. You will recall in China, starting in 1948, before the Nationalist Government was forced off the mainland, we had a mission there. We also had a mission in Korea until the beginning of this present calendar year, at which time most of our activities were turned over to the Army.

We have since last summer had in Indochina, in Indonesia, in Burma and Thailand, programs of special technical and economic assistance and as of the sixth of April we have had a mission in the Philippines. We have given some aid to India in the form of wheat under a loan agreement, with which you are familiar. We have, for more than a year, been active in several missions there and for more than 2 years in two missions.

WHERE OUR MONEY WILL BE SPENT

The CHAIRMAN. In this appropriation you will get something over two billion dollars. Of that, how much will you spend in Europe and how much in Asia and all over the world?

Mr. FOSTER. Out of the \$2,200,000,000, \$1,650,000,000 is for European purposes. The other areas are the South Asian and Southeast Asian, which are \$375,000,000; the Near East which is \$125,000,000, and Latin America which is not under our supervision, is \$22,000,000 for economic and \$40,000,000 for military aid.

BY WHOM

The CHAIRMAN. Under whose supervision is it?

Mr. FOSTER. That is now under the Technical Cooperation Administration in the State Department, Mr. Chairman.

HOW IT IS PROPOSED TO HELP

The CHAIRMAN. You say in your statement on page 4, "in carrying out their task, the countries of Asia need our help. By furnishing military assistance, we can assist them to keep internal order and discourage attack. By providing technical and administrative skills and equipment, we can help them develop those services. We can provide technical aid and some of the pump-priming capital and commodities needed."

Have these countries not needed our aid always? This is not a new situation. Have they not been in need of these things in all the years gone by?

Mr. FOSTER. Many of these countries, Mr. Chairman, are newly independent and they are attempting to meet the problems of their peoples today with new governments and new methods. Most of them are inexperienced. Most of them lack of the type of administrative skills which our colonial empires provided them with in the past.

They have great resources in a material sense in many of these countries. They have great raw-material availabilities. If they are properly helped to make the best use of those resources, it is our belief they will be able to stand on their own feet and we think it is in our interest to help them do that.

The CHAIRMAN. It is in our interest to spend billions of dollars building up these countries. That is your position?

Mr. FOSTER. I think it is in our interest to provide the sums which we have asked for them, Mr. Chairman.

In terms of the amounts which they require, they can do a great deal more with very much less money than has been necessary to provide in Western Europe. That is primarily because much of what they need is technical advice and counsel in terms of people rather than in terms of commodities.

In Western Europe the vast amounts we have required in the past have been largely needed to rebuild the industrial machines to provide food, fuel, commodities and raw materials, so that the amounts called for might over the course of years run into a billion dollars in terms of the programs we are thinking about now.

Our availabilities last year, for instance, were \$164,000,000 in that area of southeast Asia and the Far East.

THE RESULTS

The CHAIRMAN. Did you see any results from it?

Mr. FOSTER. Yes, sir. We have obtained very excellent results.

The CHAIRMAN. What are they?

Mr. FOSTER. In terms of their ability to provide more for their people in terms of greater stability in some of those governments; in terms of their ability to resist internal subversion to at least some extent. We do not claim this comparatively small program of economic aid solves their problems, but it has made progress and has made a contribution.

MONEY TO REARM WESTERN EUROPE TO BE USED IN SOUTHEAST ASIA

The CHAIRMAN. Now, we have been told that this bill and this plan was to cut ECA off in Europe largely, and to divert the funds that have heretofore been allotted to ECA to

the military and the arming of Western Europe. That is what we have been told.

You come up here for hundreds of millions for Southeast Asia. What does that have to do with work in Europe of an economic nature, or rearming Western Europe?

WHO ARE THE FREE PEOPLE?

Mr. FOSTER. It has this to do with it, Mr. Chairman. We have out in that area, as I said earlier, numerically the greatest number of free peoples yet—

The CHAIRMAN. They are not free if they are in the shape you are talking about. We have to go out there and furnish them the money to do all these things for them. How are they free?

Mr. FOSTER. They are free in terms of having their own governments; they are free in terms of having the ability to make their own decisions; they are free in terms of the possibility of hope for the future and they are free in terms of being able to enter into international trade and to provide us with a great many of the things which we need to do this job in Europe to which you refer.

FORMER ADVOCATE OF ECA ADVISES GETTING OUT OF ECA IN EUROPE

The CHAIRMAN. I think the shoemaker should stick to his last. You were appointed to take care of ECA over in Europe, get out of the business over in Europe and to divert the funds you have been receiving for ECA to the military rearming of Western Europe and here you are putting the main emphasis on going out to Southeast Asia and chasing a problem out there instead of sticking to Western Europe. Western Europe is our danger if we are going to be invaded or are going to be attacked. It will be through Western Europe if we are attacked. I do not agree with your philosophy at all.

Mr. FOSTER. Mr. Chairman, if I may, I would like to make one correction. I do not think we are putting the main emphasis on South and Southeast Asia. I think it is an important point.

The CHAIRMAN. You have in your testimony here made more noise about that than anything else you have said.

Mr. FOSTER. Perhaps more noise, sir, but I doubt if there was more emphasis. I felt it was important for this committee to understand that there is a substantial interest for the security of the United States in helping South and Southeast Asia and the Middle East and the Near East.

THE UNITED STATES CANNOT PRESERVE ITS OWN FREEDOM, PRODUCTIVITY, WHILE OPERATING A WORLD-WIDE ECA

The CHAIRMAN. Helping everybody. You say it is world-wide. You have to help everybody. The United States cannot preserve its own freedom; it cannot preserve its own productivity if, according to you, we have to take care of the whole world. That is what you said earlier.

INTERNATIONALISTS STILL INSIST WE SUPPORT "THE WHOLE FREE WORLD"

Mr. FOSTER. I say, sir, that the free world is important to our own security and I think, therefore, it is in our interest to contribute to maintaining the whole free world.

The CHAIRMAN. You think that is our business, to maintain the whole free world? Mr. FOSTER. I believe so.

WHERE OBTAIN THE FUNDS

The CHAIRMAN. Where are you going to get the revenue and the money and the taxes to do that? The fellows who spend all your time spending money for the Government do not even think about how we have to struggle here in Congress to get the money. Right down the hall now the Finance Committee is in session struggling with a tremendous tax bill. You want to take that money that is squeezed out of our people and take it over across on the other side of the world to build up and take care of

those little wobbling countries. Is that your philosophy?

INTERNATIONALISTS SHIRK RESPONSIBILITY FOR POLICY

Mr. FOSTER. It is not anything I want to do. These things are forced on the United States by a situation created by others.

INTERNATIONALISTS ASSUME TO SPEAK FOR ALL IN THE UNITED STATES

The CHAIRMAN. You are not the whole United States.

Mr. FOSTER. That is perfectly correct, sir. The CHAIRMAN. You act like it. You talk like you are the whole United States.

Mr. FOSTER. I have no illusions. I have a job which I am attempting to do to contribute, as I see it, to improving the security of the United States.

The CHAIRMAN. You are going to do it as you see it. How about as Congress sees it?

INTERNATIONALISTS INSIST CONGRESS CREATED POLICY

Mr. FOSTER. I am following out, sir, the instructions of Congress which I think in its wisdom in setting up this bill it did a very good job.

The CHAIRMAN. Where are the instructions from Congress that you have to take care of the whole free world? That is what you said. Where is it? Where is the law?

Mr. FOSTER. Congress has passed the Foreign Assistance Act; it has passed an act in the general area of China. The Congress has passed the Technical Cooperation Act. All of those cover the items which we are requesting from you, sir, in this bill.

The CHAIRMAN. Senator Green, you may take the witness.

Common sense and good judgment should convince us, as should the foregoing questions and answers, that the foreign policy of this country, as exemplified in this program, is not only futile, will not only destroy the freedom and the liberty of our people but threatens the very existence of the Republic.

I, for one, can accept your ridicule; your criticism that my views are narrow; that I am a reactionary and an isolationist; because I believe in the soundness of the principles laid down in the Constitution, in the worth of the advice given us by George Washington and Thomas Jefferson, have faith in the ability, the courage, and the endurance of our people to maintain this—a free Nation. But I beg of you to pause and give heed to the statements of one of the most vigorous and outstanding advocates of the policy to which you still cling.

Do not insist upon continuing down the road which has brought us, our people, so much of suffering and sacrifice—to the world so much ruin and unrest, turned much of the world into an armed camp.

Mr. RICHARDS. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. HELLER].

Mr. HELLER. Mr. Chairman, at the outset I want to associate myself with the remarks of the gentleman from Arkansas [Mr. HAYS], a truly great Representative from a great State. I join with him in congratulating the distinguished gentleman from Minnesota [Mr. JUDD] on the excellent speech he delivered about half an hour ago. He always inspires me. He is a great American. He has certainly pinpointed the

problem with his usual great skill and courage. The gentleman from Massachusetts [Mr. HERTER] also deserves the deep and abiding gratitude of the Members of the House and the American people for his contribution toward a better understanding of the many phases and problems raised by the bill under discussion.

I would like to compliment the distinguished chairman of the Committee on Foreign Affairs [Mr. RICHARDS] and the members thereof who worked so tirelessly and arduously to bring this bill to the floor and for doing such an outstanding and magnificent job.

Mr. Chairman, I wish to go on record in support of the proposed program for military and economic aid to our Allies which is aimed to strengthen the resistance of the free world to Communist aggression. The freedom-loving people of the entire world are watching and waiting for our prompt and decisive action in extending this aid to our allies, and thereby serving the most effective notice to Soviet Russia that the free world is determined to remain free at all costs. The freedom of the world for many decades to come may very well depend upon our action here and upon our determination now to make sacrifices, if necessary, so that human dignity and the rights of the individual are recognized and protected.

Mr. Chairman, it has become customary to refer to this assistance to our allies as "foreign aid." I consider that designation as a misnomer. The description "mutual security" which appears in the bill, is a more correct one because, as was explained by our distinguished chairman, three-fourths of the proposed program is intended for supplies, equipment, and other assistance of a military nature, while the remainder of the program is aimed to bolster the economy and defense efforts of the free nations allied with us for military production.

That has been stated on more than one occasion today. I submit that military and economic aid are supplementary to each other.

While our attention is concentrated on the present and potential dangers, we must bear in mind what has been accomplished in the past few years. The free world has come a considerable distance in overcoming some of the dangers that have plagued us during these postwar years. Yes, we have had our share of failures and heartaches, and we are still having them, but we have also had successes and encouraging developments, which should give no respite to our enemies.

What are some of these encouraging developments? We should appraise them once in a while. We should take inventory.

At the risk of being repetitious, since reference is frequently made to them, here is but a partial list:

Communist imperialism was dealt a strong and firm blow by the Soviet-Yugoslav split and Tito's defection to the West.

The Marshall plan certainly helped Western Europe attain economic recov-

ery during the past 3 years, and that has meant increased productivity for our allies.

Communism has been checked in many countries, notably in Western Europe, where the Communists have lost important elections. You have heard that discussed today. In France, Italy, and other countries the local Communist Parties, which are subservient to the whims of Moscow, have not been able to tie up the ports and prevent the landing of American military supplies, as many of us feared might happen, nor have they been able to carry out political strikes in an effective manner.

Communism has been successfully checked in Korea where the United States and the United Nations have collectively unmasked Soviet aggression and have vividly brought it to the attention of freedom-loving peoples all over the world.

Considerable progress has been recorded in cementing the unity and collective efforts of the North Atlantic countries in building up their military power under the leadership of General Eisenhower. The most dire threats from Russia did not succeed in keeping Norway from joining the North Atlantic Pact. Not only was the unity of the West able to withstand all Communist efforts to disrupt it, but it has grown tremendously in the past year.

These are some of the major achievements, though not all, which we must remember when we consider our future steps. What stands out primarily, in my opinion, is the fact that peace-loving nations have voluntarily entered into an alliance with us and are arming themselves to resist aggression and to avert another world war. I believe this is the first time in the history of mankind in the past few centuries this has been attained on such a large scale in a peaceful and voluntary manner, rather than by force and imposition.

Much still remains to be done before we and our allies will have achieved sufficient strength to feel reassured in having attained the necessary security. We have built up a reservoir of good will throughout the world that will redound to our credit for generations to come. Let us not fritter it away at this time by some rash action or shortsightedness, for which our children and our children's children may never forgive us.

If civilization is faced with a myriad of problems today, it is due primarily to one underlying cause: namely, the specter of communism which is haunting the entire world. The international tensions, the inertia on the part of the people of many countries, run-away inflation, or the threat of it which is hovering over many nations, the appalling shortages of raw materials—these and many other problems are a direct result of this Communist specter, which breeds violence, preaches world revolutions, and aims to dominate over all the nations and peoples of the world.

In the President's midyear Economic Report to Congress, we have an excellent analysis of the economic problems created in the United States by the Communist threat to the free world. Let me

cite only a few brief sentences from that report:

We must be ever-mindful that the Soviet imperialists are relentlessly pursuing a long-range plan. * * * That the strategy is to probe for weak spots in the strength or morale of the free people, and, if a weak spot can be found, to strike another blow.

The value of our aid programs, however, is far broader and more significant than simply a good investment in security. These programs will mean that freemen, in many countries, will be able to stand up against the threats, the lies, the subversion of Communist aggression. They will be able to defend themselves against bullets—and they will be able to combat communism's allies of poverty and hunger and sickness.

Mr. Chairman, Communist imperialism has now engulfed an area extending from central Europe eastward clear across the vast land area that is Asia to the shores of the Pacific Ocean. It is now threatening to spread into the neighboring countries along its huge circumference. Where possible this is done through bloodless subversion and treachery as in the case of Czechoslovakia and other Eastern European countries, or else through open bloodshed and conflict as in Korea. The latter is not always successful. After having initiated the act of aggression in Korea, Communist imperialism realized that it committed one of its most grievous errors because it resulted in the awakening of America and of the whole world to the true aims and aspirations of the Kremlin. We are now witnessing the well-known zigzag policy of advance and then retreat when it gets too hot for comfort, which has characterized Soviet communism over these last three decades.

Discussing the strategy and tactics of communism, Stalin has the following to say in his book on Leninism—page 148:

Tactic is the determination of the line to be taken by the proletariat during a comparatively short period of the ebb or flow of the movement, of advance or retreat of the revolution: the maintenance of this line by the substitution of new forms of struggle and organization for those that have become out of date, or by the discovery of new watchwords, or by the combination of new methods with old—

And so forth. In his work, Stalin seeks to stress the importance of understanding when and how to advance and under what circumstances to retreat. To make his point emphatic, he quotes Lenin as follows—page 153:

Revolutionary parties must go on learning. They have learned how to attack. Now it is time for them to realize that this knowledge must be supplemented by acquiring a knowledge of how best to retreat. We have got to understand that victory can only be won by those who have learned the proper method both of advance and of retreat.

Mr. Chairman, the world has long ago awakened to the fact that communism does not believe in genuine understanding and collaboration with non-Communist countries, except during brief periods or under special circumstances whereby the end justifies the means. World War II was such an exception, but no sooner was the war over when communism showed its true colors. If this proved surprising to some among us, let

me cite this brief passage from Lenin's works—volume 8, page 33—where he established the Communist policy on cooperation with other countries:

We are living not merely in a state but in a system of states, and the existence of the Soviet Republic side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before this end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

Will that sinister prophecy of Lenin's come true? I hope not. But we cannot depend on hopes alone. We must take all necessary precautions within our power to make certain it does not materialize, and at the same time we must utilize all precautions to be prepared for any eventuality. I am convinced that preparedness on our part will prove to be one of the greatest deterrents to the realization of Lenin's prophecy.

The question of preparedness is now uppermost in our minds; it is one of great importance, and of utmost urgency. General Eisenhower, in an address several months ago, summed it up in a few words when he said we must build a secure wall for peace. This is very true. This is exactly what we will help to construct if the bill before the House is passed.

I recently had occasion to reread Patrick Henry's most famous and eloquent speech before the convention of delegates in Richmond, Va., which he delivered on March 23, 1775. It is remarkable how in his impassioned address, born of fearless patriotism, this great American statesman of the eighteenth century expressed profound thoughts and views which are so applicable to our situation today. He was talking about oppression, and the urge for freedom; he urged his countrymen to be prepared for armed resistance, and appealed to them not to listen to the song of the siren and the false cries for peace amidst the clash of resounding arms. Let me read to you a few excerpts from this historic address:

It is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth and listen to the song of that siren, till she transforms us into beasts. Is this the part of wise men, engaged in a great and arduous struggle for liberty? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth—to know the worst and provide for it.

Mr. Chairman, the Russian lullaby has now turned into a song of the siren, which is trying to lull us to sleep at Kaesong with its false pretenses of a cease-fire in Korea. We should know the truth, we should not fear the worst, and we should provide to meet it. Experience is our best teacher and guide. If we substitute the word "Soviet" for "British," and perhaps make one or two other minor changes in the following quotation from Patrick Henry, we can almost picture him right here in our midst arguing our present-day problems. He said:

I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past. And, judging by the past, I wish to know what there has been in the conduct of the British ministry for the last 10 years

to justify those hopes with which gentlemen have been pleased to solace themselves and the House? Is it that insidious smile with which our petition has been lately received? Trust it not, sir; it will prove a snare to your feet. Suffer not yourselves to be betrayed with a kiss. Ask yourselves how this gracious reception of our petition comports with those war-like preparations which cover our waters and darken our land. Are fleets and armies necessary to a work of love and reconciliation? Have we shown ourselves so unwilling to be reconciled that force must be called in to win back our love? Let us not deceive ourselves, sir. These are the implements of war and subjugation—the last arguments to which kings resort. I ask, gentlemen, sir, what means this martial array, if its purpose be not to force us to submission? Can gentlemen assign any other possible motives for it?

Mr. Chairman, does not this make you think of the false peace petitions circulated by the Communists in the past few years, while at the same time Russia maintains the largest army in the world? Against whom is this army being prepared if not to establish domination of the world by force? If Russia was really earnest in her efforts for world peace, could not her leaders think of a better way to attain international amity than by invasion of Korea and by threatening other areas of the world?

We have done, and are still doing, everything in our power to avert a new world conflagration, but our efforts for cooperation and understanding have thus far been in vain. Instead of a friendly, outstretched hand of human brotherhood, we have always come up against the clenched fist of communism. Under such circumstances, how can we even entertain any hopes for peace or reconciliation? It takes two to make a bargain, but thus far all our calls and pleas for genuine peace have fallen on deaf ears.

At this point, Mr. Chairman, let me quote another few lines from Patrick Henry which are so applicable to our own day and some of the arguments we often hear from the defeatists and the weak of heart. This great early American patriot told the Delegates at that famous Richmond convention in 1775:

They tell us, sir, that we are weak; unable to cope with so formidable an adversary. But when shall be stronger? Will it be the next week, or the next year? * * * Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs and hugging the delusive phantom of hope, until our enemies shall have bound us hand and foot? Sir, we are not weak, if we make a proper use of the means which the God of nature hath placed in our power. Three millions of people—

Today Patrick Henry would proudly say 153 millions of people—

armed in the holy cause of liberty and in such a country as that which we possess are invincible by any force which our enemy can send against us. Besides, sir, we shall not fight our battles alone. There is a just God who presides over the destinies of nations, and who will raise up friends to fight our battles for us.

Mr. Chairman, thank God we can fight our own battles today, if necessary. God, however, has been good to us, and has helped raise friends who are

now our allies. But we still need more friends to fight alongside of us, because today we are engaged in a world conflict.

The concluding lines of Patrick Henry's speech are relevant today. With pride I quote this most famous patriotic passage:

Gentlemen may cry "Peace!" "Peace!" But there is no peace. The war is actually begun. The next gale that sweeps from the north will bring to our ears the clash of resounding arms. Our brethren are already in the field. Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death.

Yes, Mr. Chairman, our brethren are already in the field. The crash of arms and the sound of ominous thunder form the background to Russia's false peace offensive. Our best and only reply should be to strengthen our own defenses and those of our allies, for only in this way can we hope to achieve peace, only in this way can we hope to eradicate all signs of defeatism and despair among the peoples of the free world and bring to them leadership, confidence and resoluteness of action.

Under the circumstances, the bill we are now considering assumes even greater importance at this time. It is our way of saying to the free nations of the world: "come, let us together build up our common strength, let us together use our material resources, our technical knowledge, and our great resources of manpower to show the aggressor that we are ready to defend our lands, our homes, and our way of life."

Our allies are expecting sound guidance and decisive action from us, not mere words, however well-meaning. The success or failure of our action will determine the degree of reaction among our friends throughout the world. If we should drastically cut the extent of our military and economic aid proposed in the President's mutual security program, it will be taken as an indication that we are not serious in our defense efforts. This will definitely result in a relaxation of the defense effort of our allies, and a consuming feeling of apathy and defeatism will engulf the whole world.

Mr. Chairman, this is undoubtedly what the leaders in the Kremlin are hoping for. When the slackening of our efforts sets in and the feeling of futility begins to prevail throughout the free world, it will be the long-awaited sign for Stalin to undertake the realization of Lenin's sinister prophecy of the inevitable collision between communism and the democracies and the subjugation of the whole free world.

These are the reasons that compel me to give my unqualified support to the President's mutual security program as a military and economic necessity for us and for the nations allied with us. As between the course of action prescribed by Patrick Henry and that advocated by Lenin and Stalin, I prefer to choose the wisdom of those ringing words of the American prophet of liberty rather than the foreboding words of the modern prophets of doom.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have long been an advocate of having the military and diplomatic heads come before the entire Congress and describe to the entire Congress the need for the appropriations both in this country and the countries of the world we are helping under this bill. I shall vote for this bill. I do not know just how I shall vote on the amendments, but I certainly believe in giving some aid to the countries loyal to us—and who will cooperate with us.

One provision in which I am interested because I introduced a bill, H. R. 3492, which would provide a grant of \$150,000,000 to Israel, and the recommendation of the House Foreign Affairs Committee allocating \$50,000,000 for the relief and resettlement of refugees in Israel goes part of the way to satisfy the provisions of H. R. 3492 which proposed a grant of \$150,000,000. As the author of that bill, I had hoped that we could do more to assist Israel in its struggle to absorb hundreds of thousands of immigrants and to achieve economic independence. Yet I believe that the House committee action will make a substantial contribution to the solution of this problem, while at the same time dealing fairly with both the Israelis and the Arabs. I trust that the House will accept it.

During my service in the House I have watched with deep sympathy and admiration the struggle of the Jewish people to overcome persecution, to achieve independence and to provide a refuge for hundreds of thousands who have escaped to Israel from the DP camps, from Communist expropriation behind the iron curtain and from the ghettos of North Africa. I am convinced that history, looking backward, will single out this great achievement as one of the very few constructive episodes of our generation.

Our generation has witnessed two terrible wars, depressions, revolutions, conquests and twice the terrible menace of world dictatorship, first by nazism and now by communism. It is against this background that we should assess the significance of Israel, its regeneration of a dispersed people, its mass resettlement of refugees, its successful struggle for independence and its resistance to invasion and finally, and above all, its advocacy of freedom in a feudal part of the world.

It may be asked by some, why we, concerned with defense and armament, should make provision in a mutual security program for the resettlement of refugees.

Mr. Chairman, defense begins with people. You can defend no area with machines alone. You must have people ready and willing to fight. And they must have something to fight for. We, who fought and won our own independence by the courage and tenacity of men and women who had the will to struggle against great odds, are too prone to forget this basic fact. Freedom can be

secured only by those who understand and cherish it.

The Near East cannot be defended if its peoples are insecure and unsettled. It is crucial to our defense that we strengthen the Near East. The first step must be the resettlement and reintegration of both the Jewish and Arab refugees who are still homeless, destitute and without means of self-support.

Let us speed this great refugee resettlement program of the Jews and Arabs. The more quickly it is done, the more stoutly we shall build our defenses against Communist aggression in the Near East.

I believe that it is fair to them. I believe it is fair to both the Jews and the Arabs. I hope the House will accept that provision.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. RICHARDS. I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I think there are several obvious assumptions that we can make about the rearmament of Europe.

First, I think it is obvious that Russia will believe herself endangered by our building air bases so close to Russia, and by the rearmament of Europe.

Second, Russia desires to stop this rearmament and to deter us from using these air bases.

Third, the reason Russia has not marched to war in Western Europe already is first, she is not ready and second, our strength in Western Europe is not sufficient to cause her any real danger.

Fourth, Russia is making progress in cutting down our atomic superiority.

Fifth, unless Western Europe is strengthened quickly enough to deter the Russians on the land, once they overcome our overwhelming atomic monopoly, then there will be heavy pressure in Russia for her to move in on Western Europe before we are ready.

Therefore, I believe that the present slow rate of rearmament in Western Europe is an encouragement to war and not a deterrent. If Russia sees the Western Europe rearmament program spread out until 1953 or until 1954, and if she sees us building air bases so close to her vital sources of supply, then obviously there will be great danger that she will move into Western Europe to deny us these air bases and deter us from building up sufficient ground strength to prevent her armies from moving into Western Europe. I think the whole trouble lies in the fact that the rearmament program for Europe is being spread out much too far. The job is not being done quickly enough. Not one of these countries, with the exception of Great Britain, is devoting the percentage of her income anywhere near equal to that of our country for rearmament. In not one of those countries, with the exception possibly of Great Britain, are they taking men in for so long a period as our draftees, nor have they enforced economic controls equal to ours. I believe you are not going to get the 50 or 70 or 80 divisions, which General Eisenhower

called for and which he feels is the minimum which can deter the Russians from moving on land, until the end of 1953 at the present rate. I think there is grave doubt that the Russians will wait until 1953 for us to build these forces. Do you think they are going to give us until 1953 or 1954 to develop this ground strength so that we can defend our air bases abroad. There is danger that they will move, and unless we do this job quickly, and unless Europe is rearmed by the middle of 1952, I think the chances of a war are tremendously increased.

Mrs. BOLTON. I am wondering if the gentleman took up the question of the air bases when the appropriation was under consideration on the floor.

Mr. KENNEDY. I am not disagreeing with the establishment of those air bases. What I am disagreeing with is the rate of the rearmament program in Western Europe. I think it can be done much quicker. I do not think it is being done as fast as it should be done. I do not think they are devoting the percentage of their income to defense that they should be.

Mrs. BOLTON. Have you taken it up with the Department of Defense?

Mr. KENNEDY. I am merely saying that I think it is obvious you are going to tremendously increase the chances of war if you let 1952 go by without having sufficient strength on the ground to deter the Russians from attack. I think all you are doing at the present rate of rearmament is stimulating a Russian attack.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman agree that if we could just follow that course—and, incidentally, I am in sympathy with your point of view—that we will have to put up a great deal more than we put up in this bill, and we are running into a lot of trouble to get support for this bill. They do not have the plants to put out the end items, and if we want to do what you suggest, we would have to go a lot further than we go in this bill.

Mr. KENNEDY. The gentleman must know, for example, that the production of military equipment in those countries could be doubled or trebled.

Mr. JAVITS. But it takes time to key up to that, even if we gave them the money. I am with the gentleman.

Mr. KENNEDY. They do not have effective controls on their strategic materials. Does any country have the controls that we have, with the possible exception of Great Britain?

Mr. JAVITS. I would agree with my colleague that Great Britain is the only country that is really pushing at the top of its capabilities. I point out that if they all pushed at the top of their capabilities we would have to probably double or more than double what we are willing to do now in end investments, and take it away from our own forces.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RICHARDS. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KENNEDY. I will say to the gentleman that I would be willing to do a lot more than we are now doing, if I thought it would result in the 50 or 70 divisions by 1952 that are essential if they are going to deter the Russians from moving. I do not object to sending American troops or American money there if I thought that the Europeans were doing their part. All I object to is half doing the job and stretching it out over the months. I think this program of rearmament of Western Europe as we are now doing it is the best way to bring on a world war with Russia.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. McVEY].

Mr. McVEY. Mr. Chairman, I am arising in opposition to this bill, and I want to say I believe there is no one who is more interested in the welfare of other nations than I. For many years, I have been contributing to world-service movements of various kinds—through my church, through the YMCA, which has an extensive world-service program, and in other ways. But that was my own money I was spending. I have no quarrel with anyone who wants to give his last dollar to save the rest of the world, but there is one country I love more than any other, and that is land of my birth, the United States of America.

And I think we need to take heed lest we spend that country into bankruptcy. We need to take heed lest in our attempt to save others we lose our own souls. Let us take a little look at our financial situation. In the statistics given out by the Department of Commerce, we find that our dollar is now worth 44 cents, in terms of prewar purchasing power, using the years 1935-39 as a base—not 1932 but 1935 to 1939. A little further study reveals that a year ago the purchasing power of the dollar in terms of the same base was 57.7, a decline of 13.7 cents in a single year, a pretty rapid descent, but that is what happens to the purchasing power of a currency when a nation pursues the monetary policies we have been following in recent years. The decline is gradual at first, and then becomes more rapid as the accumulated effect of such policies continues. That has been the pattern followed by every country that has resorted to such practices. We are headed for a 25-cent or a 10-cent or a 5-cent dollar, if we continue our deficit-spending program. There is no way to control inflation with the purchasing power of the dollar declining. It is nonsense to think otherwise—prices will continue to rise just as long as our currency becomes cheaper and cheaper. That is one of the most elementary principles in economics.

Now why does the purchasing power of the dollar continue to decline? It is the accumulated effect of deficit financing. Not just what has happened in the last 5 years, but what has happened in the last 19 years. If we go back to the Republican Congress and include the years 1946 to 1948, we do show a surplus, but if we consider the last 19 years, we find a deficit of \$222,000,000,000, and that amount of money cannot be injected into the economy of any country without creating serious inflationary problems. In fact deficit spending provides the fertile soil from which inflationary spirals spring. The administration in power has balanced the budget but 1 fiscal year in the last 18, and that year was the one just ended—June 30, 1951. The reason in that case was due to the fact that the defense spending could not get under way as rapidly as the money came in. The commitments far exceeded the income of the Treasury.

Here is the record of deficit spending for the last 19 years:

Fiscal year	Total Federal expenditures	Federal deficit or surplus (-)
	Millions	Millions
1952, to July 3, 1951.....	\$518	-\$170
1951.....	48,143	3,510
1950.....	40,167	-3,122
1949.....	40,057	-1,811
1948.....	33,791	8,419
1947.....	39,289	8,753
1946.....	60,703	-20,676
1945.....	98,703	-53,941
1944.....	95,315	-51,420
1943.....	79,622	-57,430
1942.....	34,187	-21,490
1941.....	13,387	-6,159
1940.....	9,183	-3,918
1939.....	8,966	-3,862
1938.....	6,938	-1,177
1937.....	7,756	-2,777
1936.....	8,493	-4,425
1935.....	6,521	-2,791
1934.....	6,694	-427
1933, Mar. 4 to June 30.....	1,164
Total.....	639,607	222,904

Source: U. S. Treasury Department, annual report, and daily statements.

Now why is the subject of deficit spending of importance in the debate on this measure before us today? It is important because much of that deficit has been created through our efforts to help the rest of the world. We have appropriated for foreign aid since we began our lend-lease program prior to World War II approximately \$90,000,000,000. Certain credits must be deducted from that amount, but the books show that during the period beginning in 1938 and ending March 31, 1951, the net foreign aid provided was \$69,899,000,000.

This is a sizable sum and while there is no gainsaying that the aid extended has been very helpful to other countries, the time has come, in my opinion, when we must call a halt if we wish to save our own country from disaster. One purpose of foreign aid was to help the countries of Europe recover from the serious effects of World War II—a very worthy motive—much of their industrial potential was greatly damaged by the ravages of war, but the index of production in

those countries is now far ahead of pre-war. In proof, I present the following figures taken from the tenth report to the Congress of the ECA page 7:

Production in Atlantic Pact nations (using 1937 production levels as 100 percent)

Belgium.....	115
Denmark.....	145
France.....	113
Greece.....	120
Italy.....	115
Netherlands.....	142
Norway.....	123
United Kingdom.....	142

Another factor which we should take into consideration is our heavy per capita debt load. Our per capita debt load—the responsibility of every man, woman, and child in this country for our Federal debt—is higher than that in any one of the Atlantic Pact nations. Then, too, we should consider our vast appropriations for defense. Within the last 10 days these appropriations have reached the staggering sum of \$56,000,000,000. We are told repeatedly these appropriations are necessary to protect not only our own country but the countries of Europe as well. Why should this not be considered a sufficient expenditure for foreign aid without increasing that amount by the billions provided in this bill.

In the 1951 budgets, the United States put up \$4 for every dollar spent on military expenditures by Europeans. In the 1952 budgets, the proportion is five American dollars for every dollar allocated to defense by all Atlantic Pact nations. In the name of reason how far must our generosity extend itself?

We have outstanding \$57,572,012,637 of E. F. & G. savings bonds which will have to be retired over the next 10 years. During the next 5 years \$34,088,362,845 of these bonds will fall due. Has any provision been made for the redemption of these bonds? I have heard of none. Will they be redeemed with printing-press money? Would it not be wiser to use the money we propose to appropriate for foreign aid for the redemption of these bonds and help preserve the integrity of our currency?

We can hardly expect the original purchasers of these bonds to continue to hold them. They paid \$75 for a hundred-dollar bond 10 years ago expecting to get \$100 worth of purchasing power today, and what are they getting? Forty-four dollars worth of purchasing power, instead of the one hundred they had expected. They have lost not only the interest; they have lost \$31 of the principal invested. That is how we have let down the workmen and women of this country who through patriotic motives invested their hard-earned money in our Government securities.

The end is not in sight if we continue our insane spending program. We can ill afford the expenditures for foreign aid proposed in this legislation which amount to \$7,848,750,000. We must begin to think of saving our own country before it is too late. A vote against this bill is a vote for the preservation of America—our liberties, our freedoms, our way

of life—yes, it is a vote to safeguard the whole world because if America goes down the world is lost with us.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. DONDERO. Apparently the gentleman thinks that the leadership of this Government and this Nation is more used to the free world as a solvent nation than as a bankrupt nation.

Mr. McVEY. That is exactly true, and I thank the gentleman for his contribution.

Mr. VORYS. Mr. Chairman, I yield 4 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, the gentleman from Massachusetts has brought up a phase of argument that I am very glad he presented to us. A little earlier in the debate someone stated—I think it was the gentleman from Massachusetts [Mr. HERTER]—that the reason for the slowness of the military production program was an economic decision made here in America. The Defense Department no doubt has agreed to what might seem to you and me an unnecessarily prolonged supply program but it is apparent that our economic structure has been taken into account in the making of these decisions. I am very glad that the gentleman voiced the sentiment he has because he has been over there, and speaks with a background of first-hand information. I happen to know from some of the people who represent us in a number of the countries he visited that he did a very fine job in examining into the situations that presented themselves to him. I am very happy to say how much I personally appreciate the fact that this particular point of view has been brought out in today's debate.

My own feeling of the situation is that I believe General Eisenhower means what he says when he tells us that our troops are there only as long as the other troops are not equipped and ready to do the whole job.

Mr. RICHARDS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I should like to ask the chairman of the Committee on Foreign Affairs how much the committee went into the question of these countries that are to be helped giving us what we need for our national defense? I do not want to go into detail on the floor at this time, but I have had quite a discussion recently with certain of our manufacturers. I do not want to go into the rate of speed at which they are manufacturing, but there is some holdup in the manufacture of goods in this country for various reasons. I would like to ask the gentleman how deeply his committee went into this matter with other countries as to what they could give us in return for what we are doing for them, which is tremendous.

Mr. RICHARDS. May I say in answer to the gentlewoman's question that the committee was very much concerned

with getting strategic materials from these participating countries. A section was inserted in this bill setting aside some \$65,000,000, to be exact \$55,000,000 of the total over-all authorization for the development of strategic materials that were in short supply in this country. With reference to the general supply, we have other agencies that deal with the participating countries in regard to tariffs, trade and all that sort of thing. Outside of strategic materials I do not think the bill provides anything of the nature the gentlewoman mentions.

Mrs. ROGERS of Massachusetts. The committee did not go very deeply into that?

Mr. RICHARDS. Yes, we went deeply into production conditions in every country and what they could do in the matter of furnishing themselves with the materials that are needed in a program of this kind.

Mrs. ROGERS of Massachusetts. How about furnishing us material?

Mr. RICHARDS. In furnishing us with ordinary trade items, about the only thing we have along that line is section 603 in which it is stated:

In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$55,000,000 to be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

Mrs. ROGERS of Massachusetts. The gentleman knows when I was a member of the Committee on Foreign Affairs I was a great believer in reciprocity, and I felt when we passed Lend-Lease that we should have secured more for America at that time.

Mr. RICHARDS. I remember very distinctly when the gentlewoman was one of the ablest members of our committee, and we hated to see her leave. I remember distinctly the fight that she made along this line and how she tried in every way she could to protect the manufacturers of this country.

Mrs. ROGERS of Massachusetts. I thank the gentleman. It was hard for me to leave the committee and I am sure I would like to have served under the fine and courteous gentleman as chairman.

Mr. RICHARDS. Mr. Chairman, I yield myself 2 minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Michigan.

Mr. DONDERO. Included in the statement made by the gentlewoman from Massachusetts might be included this question: What is our present policy toward Spain, believing that Spain could be of some help to us in Europe?

Mr. RICHARDS. I do not know whether it has been raised here today, but it was raised in our committee on a great many occasions. All the military testimony we had was to the effect

that Spain, in connection with our national defense program and with this mutual security program, was needed in the picture. I want to say this, that while this bill does not specify certain countries that are to receive such-and-such amounts either for economic assistance or military assistance, there are funds provided in this bill that can be used for Spain.

Mr. DONDERO. I believe that Spain wants to be friendly to the United States.

Mr. RICHARDS. I agree, and I think we should meet Spain more than half way.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. I do not think it is any revelation of any executive session, we inquired whether the work of Admiral Sherman was lost when he died, and we were told that the work he had been engaged in would continue; is that not correct?

Mr. RICHARDS. I understand that that work will be continued. It should continue. We need Spain and Spain needs us.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

All time has expired.

Mr. DONDERO. Mr. Chairman, I move that the Committee do now rise.

Mr. RICHARDS. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 13, noes 73.

So the motion was rejected.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1951."

SEC. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and

accomplishing the policies and purpose of this act—

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph.

(2) not to exceed \$1,335,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this subsection: *Provided*, That not to exceed \$30,000,000 of the funds made available pursuant to this subsection may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purposes of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 2, line 22, section 101 (a), subsection (1), strike out "\$5,028,000,000" and insert "\$4,828,000,000"; and in subsection (2) on page 3, line 16, strike out "\$1,335,000,000" and insert "\$1,035,000,000."

Mr. FULTON. Mr. Chairman, I would like to explain this amendment shortly to the House so that you will get the impact of the cuts of each of subsections (1) and (2).

Subsection (1) on page 2 of title I is the military assistance for Europe. In the bill at present the figure is \$5,028,000,000, as you will note in line 22. The figure in my amendment will reduce the \$5,028,000,000 by \$200,000,000, to \$4,828,000,000.

Then, if you turn to page 3 on line 16, you will see subsection 2, which refers to economic assistance under title I, which item now provides for \$1,335,000,000. The figure of my amendment would be \$1,035,000,000, thereby reducing it \$300,000,000.

The total effect of my amendment upon title I is a \$500,000,000 reduction. The question then comes up, where can that amount come out? My amendment leaves it pretty much up to the President to determine where the cut can best come, because if you will take subsection B on page 4, you will find that not to exceed 5 percent of the total appropriations granted in subsections (1) and (2) can be switched back and forth between the two subsections. If we take 5 percent of about \$5,000,000,000 in title I, for example, we arrive at a figure of \$250,000,000. So that right in our figure of the \$5,028,000,000 in the act as it now stands for military assistance for Europe, there is a possible transfer of a possible \$250,000,000 for economic assistance, moving that amount over to subsection 2 on page 3. Likewise in the \$1,335,000,000 item for economic assistance for Europe on page 3, the President, according to the terms of the bill, can take 5 percent out of that which would be about \$66,750,000, which he can transfer from economic assistance to military assistance in title I.

That provision gives a freedom of action and takes away the rigidity so that there is not the excuse that this is simply cutting the military aid by express legislative direction. The President can then look at the program and see where it is best to take the \$500,000,000 off, and do his cutting there. Because of this very good provision under section B on page 4, the 5-percent provision, we have a flexibility of handling which permits a good program to be worked out between military assistance and economic assistance under title I.

It also should be remembered that the economic assistance includes assistance to further military production. So that when we come to a definition, we find that there is a very fine dividing line between what is actually military assistance, and what becomes economic assistance under this legislation. For example, if we are giving the recipient countries machinery for fabricating the future plants for arms production, the query is: Is that military assistance or is that economic assistance? If the United States give these countries a machine which is a die, or a tool, grinder, or shaping machine, the question is: If it is used now to produce arms under this program, might this same item not likewise be general economic assistance to such country if it can be used later, after this program is completed in the contemplated 36 months?

In addition to that matter of flexibility and difficulty of definition, you will find there is an item under military assistance that is on page 65 of the report of the committee, table 12, illustrative breakdown of 1952 mutual security program, military assistance subsection (b), which shows \$53,000,000 in the present

bill for administrative expenses for the \$5,000,000,000 military-assistance item under title 1.

Under the same table 12, economic assistance under ECA act section (2), subsection (f), you will find there is an item of \$19,000,000 for administrative expenses also. So that if you go through the bill, you will find that there are many places where by good business methods there can be a further cutting down on overload and a cutting to the minimum of further indirect expenses.

By good purchasing and good planning and programing, our United States agencies can certainly come up with a program, which if it is called an austerity program, nevertheless, is a program which is calculated to do the job required if economy and business methods are employed. I believe \$200,000,000 reduction on \$5,000,000,000 military assistance, is a very slight reduction on the military assistance program. On the \$1,335,000,000 economic assistance, a \$300,000,000 reduction just means they will have to take a little bit more of this austerity program that our taxpayers in this country are having to take today. There is no doubt these countries have now completed their postwar recovery and have exceeded our hopes of success under the Marshall plan proposal. Many of them are spending much less in proportion of their total annual productions for defense than we are, and in some of the recipient countries, the tax and debt burden is now less proportionately than ours.

Mr. RICHARDS. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes to answer the gentleman's inquiry.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from South Carolina.

Mr. RICHARDS. As I understand the gentleman's amendment, it cuts \$200,000,000 from the military aid in title I, and also \$300,000,000 from the economic aid in title I.

Mr. FULTON. That is correct. \$500,000,000 is the total proposed cut in title I, of the amendment which I have introduced.

Mr. RICHARDS. This committee was in session about 6 weeks. We sat about 31 days and had 60 or 70 hearings. Did the gentleman at any time while this committee was meeting propose any such cut as this?

Mr. FULTON. The gentleman is right, I did not suggest this amendment during the hearings, but I was working on a cut just as the gentleman and others. I did not come up with this final figure until this afternoon, because I was spending 3 hours more this afternoon working on it. But I have had these

figures previously as to places where the cuts should be made and where they should not be made. For instance, on the \$2,658,000 for ocean freight, I do not think the House should make any cut there at all. But I might say this to the chairman, that I have heard, outside the committee walls, items of figures discussed. One thing that struck me very forcibly was a figure that one of the members came up with, and when asked where he got it he said, "I took that one right off the top of my head." If there is that much flexibility of figures in this program the question is one of policy rather than the particular percentage or exact rate of cut. I believe, as a matter of policy, that we could go a little further than the chairman of the committee has gone in making his own cuts on the military assistance in title I, and quite a bit further on the economic assistance in title I. I agree, in part, with the gentleman from Ohio [Mr. BROWN] who spoke of our building plants beyond a certain necessary norm of recovery, because we are then building plants for our competition. There are complaints, for example from Pennsylvania, of foreign companies, of recipient countries, laying down fabricated steel items in Central and South America cheaper than we can—not once, but consistently—when our own plants are completely tied up for the defense of Europe and when those countries have an excess capacity to export, even to the Soviet, perhaps we had better cut some of the money for assistance.

My proposed cut will not hurt the aim of the program, but it will certainly make it more economical and efficient.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to the cut of \$200,000,000 in the military aid program under the Mutual Defense Assistance Act, and \$300,000,000 cut in the economic assistance for Europe as proposed by the gentleman from Pennsylvania [Mr. FULTON]. I think it is a little ironical that the gentleman from Pennsylvania [Mr. FULTON] did not see fit to bring up in the committee the proposal which he is now making to the membership of this body. Other members of the committee did bring up proposals to cut this amount, and those proposals were fully considered and the result is that we have before us a bill which the chairman of the committee, primarily, though the committee generally, is responsible for. I think that the distinguished and able chairman of our committee the gentleman from South Carolina [Mr. RICHARDS] has done an outstanding job. I think he has presented a bill to this House which is a committee bill and not a State Department bill or a bill from any other part of the executive branch of the Government. I think also, in considering this bill and this amendment, that we have to keep in mind the fact that Europe is in many respects the key point in the defense system of the world, because there you have,

especially in the Ruhr, the coal, the steel, the iron, and the industrial know-how which the USSR so greatly covets.

I would like to call to the attention of the committee a statement made by General Eisenhower. He stated to the group visiting Europe 2 months ago that in his opinion the atom bomb was not the greatest deterrent in holding back the Russians, but that the industrial capacity of the United States was. We have clear superiority, as far as our industrial output is concerned at the present time, especially so because of the fact that we are in mutuality, so to speak, with the industrial output of Western Europe. If we were to lose that output, it would mean in effect that the USSR would be on a practically equal footing with us. It would mean then that we would be in real danger. If we cut down this assistance which will help the industrial development of Western Europe, we are only weakening ourselves.

We must remember that the United States and Western Europe now have an annual production of steel and pig iron more than four times that of the Soviet world; together we produce three times as much coal and ten times as much petroleum. Move the resources of Western Europe to the Soviet side and the comparisons change drastically. I feel also that if we cut down the military aid, as proposed, that we will be doing the very thing we should not be doing and that is to bring into being a force not well enough equipped and not as able as it must be to defend itself in any struggle which might occur. We would also be diluting their potential strength and smashing their hopes for a more secure and peaceful future.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to my distinguished colleague.

Mr. HAYS of Arkansas. The gentleman recalls the emphasis which has been given to this problem by the gentleman from Massachusetts [Mr. HERTER], in which he has continually pleaded with us not to think in terms of money primarily but in terms of tanks, planes, bazookas, and specific items of war. That is correct, is it not?

Mr. MANSFIELD. That is correct.

Mr. HAYS of Arkansas. It is not the gentleman's opinion based upon the testimony before our committee that if the amendment prevails you are not reducing for you are forced to think in terms of the planes, tanks, and equipment that will move into the stepped up armaments need of Europe.

Mr. MANSFIELD. That is right.

Mr. HAYS of Arkansas. And that the figure here represents the very minimum in the calculations of General Eisenhower and others who have laid the plans for this program. Is that a fair statement?

Mr. MANSFIELD. That is a very fair and a very accurate statement. I may say also, and this is repetition—it is not a question of a limit of manpower in western European nations; they are willing to furnish the men; but what is the use of furnishing the men if you

do not give them something to fight with, if you do not give them something to train with? This money is necessary therefore because many of these items such as planes and tanks take a long time to manufacture and most of this hardware must, for the time being at least, be manufactured in this country for the military program in Western Europe. Arrangements are being made that certain items such as small arms and the like, and certain spare parts will be manufactured in Europe and will take their part in the program of preparedness now being undertaken under the North Atlantic Treaty and the Mutual Defense Assistance Program.

Mr. Chairman, I think it would be against the interest of the United States and our own security if we were to vote for this amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. In view of the fact that this amendment affects two different subsections, one dealing with military aid and the other with economic aid, can it not be separated and a separate vote be had on each part?

The CHAIRMAN. Yes, it can be separated.

Mr. HERTER. It can be divided. I thank the Chairman.

Mr. RICHARDS. Mr. Chairman, it is now 5 minutes after 5. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, had come to no resolution thereon.

DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, insist on the House amendments thereto, agree to the conference asked by the Senate, and that conferees be appointed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and COLE of Kansas.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1952

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. KIRWAN] may have until midnight tonight to file a conference report on the bill (H. R. 3790) making

appropriations for the Department of the Interior for the fiscal year 1952, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, may I inquire of the majority leader as to the program for tomorrow?

Mr. McCORMACK. The first order of business will be a veto message, after which we will call up the conference report on the Labor-Federal Security appropriation bill and a conference report on the Department of the Interior appropriation bill. When those matters are disposed of there will be a continuation of the consideration of this bill which will continue through Friday and Saturday until disposed of. If the bill is acted on tomorrow, of course we will go over until Monday.

Mr. CURTIS of Nebraska. What is the program for next week?

Mr. McCORMACK. That will be announced tomorrow. It is not because I do not want to answer the question, I want that in the RECORD, but neither the majority whip nor myself are prepared to make the announcement.

CREATION OF A SELECT COMMITTEE

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 390, Rept. No. 885), which was referred to the House Calendar and ordered to be printed:

Resolved, That there is hereby created a select committee to be composed of seven Members of the House of Representatives, appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the facts, evidence, and extenuating circumstances both before and after the massacre of thousands of Polish officers buried in a mass grave in the Katyn Forest on the banks of the Dnieper in the vicinity of Smolensk, which was then a Nazi occupied territory formerly having been occupied and under the control of the Union of Soviet Socialist Republics.

Upon completing the necessary hearings, the committee shall report to the House of Representatives (or the Clerk of the House, if the House is not in session) before the adjournment of the Eighty-second Congress the results of its investigation and its study, together with any recommendations which the committee shall deem advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold hearings, and to require, by subpoena or otherwise, the attendance

and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

WILCOX ELECTRIC CO., INC.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1912) for the relief of the Wilcox Electric Co., Inc., with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, after "\$104,121.52", insert "less appropriate tax adjustments to the extent that the said company has benefited from this loss in computing its Federal excess profits tax and income tax liability for any year."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. KEATING. Mr. Speaker, reserving the right to object, do I understand from the chairman of the subcommittee that the only change in this bill made by the Senate is to make the amount in the bill subject to Federal taxes?

Mr. BYRNE of New York. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill (H. R. 3973) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1952, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. VAIL] is recognized for 30 minutes.

AMERICAN PRESS

Mr. VAIL. Mr. Speaker, on February 8, 1951, I introduced H. R. 2516, a bill to exclude from the provisions of the National Labor Relations Act any labor organization whose membership includes certain employees of newspapers and periodicals, which is affiliated with a national labor organization.

The measure was intended to provide a cause for liquidation of the existing relationship between the American Newspaper Guild and the Congress of Industrial Organizations, representing a most vicious alliance and one sharply opposed to sound public policy—shock-

ing in its implications and constituting a threat of tremendous import in its potential effect upon our national security.

Undeniably the past score of years have wrought sweeping changes in our cherished American way of life, but no change we have witnessed is fraught with greater danger—no change represents a greater potential for evil—than the bold and thus far partially successful effort of the CIO radicals to control the press of the country through its affiliate, the American Newspaper Guild, CIO.

Even the most unenlightened can readily grasp the significance of control of the press by domination under union rules of its reportorial and editorial staffs by an organization such as the CIO, which departs as far from American principles of equity and justice in its program for industrial and political demoralization as would a raiding group from Mars or Moscow.

The recognized power of the press imposes an obligation upon every American to analyze, appraise, and cooperate to defeat any attempt to control and direct news content by vicious interests. It imposes upon the Congress an obligation to closely observe and to curb, through legislation, activities endangering the freedom of the press or the interest of the American public in honest news presentation. That obligation, the legislation I propose seeks to discharge. Through ANG-CIO affiliation and its implied fusion of interests and sympathies, substantiated by the record, self-seeking, irresponsible newsmen, disdainful of national welfare, contemptuous of the fundamental obligation of their profession to avoid influencing entanglements, subordinating traditional ethics to doubtful personal gains, have delivered themselves and their talents and have provided a tremendously powerful weapon to the Socialist-Communist infiltrated CIO, whose warped ideals and goon tactics have been well evidenced over the years since the organization was founded under the sponsorship of the New Deal administration.

The relationship between the ANG and the CIO has been slyly and effectively maneuvered over the 15 years of its existence and meager information concerning the encroachment of the vicious combination upon the newspaper field has appeared in the press for reasons that may be easily understood since an aroused public would demand speedy dissolution. I venture to say that few Americans are aware that the news items, the editorials, or the columns they read in their favorite newspaper may have been written by members of the CIO or that the content of what they read may have been directed by CIO master minds in the upper echelon of the national organization, who are keenly cognizant of the value of favorable publicity and who hold an economic whip hand over its guild affiliates, since cancelation of membership for disobedience would deprive guildsmen of employment on the 60 percent of American newspapers that are now claimed to be operating under CIO guild contracts.

To sound Americans, the voluntary action of a trusted and important ele-

ment of society in providing so effective a club to insure submission to CIO domination of the American press is beyond comprehension. It is almost unbelievable that so brazen a conspiracy to direct public opinion and control vehicles of public information could be conceived in the minds of so vital a segment of our American citizenry until the identity of the characters initiating the movement is revealed, providing the key to understanding. Leadership of the guild, founded in 1933, was originally undertaken by the radical columnist, Heywood Broun, according to sworn testimony, in 1933, a member of the Communist Party—volume 7, page 4713; volume 9, page 5461, Committee on Un-American Activities Hearings—and later a member of the executive board of the CIO, and associated with him in his organizational activities were Morris Ernst; Ben Gitlow, former secretary general of the Communist Party; Joseph Zack, former national trade-union secretary of the Communist Party; Morris Malkin; Morris Watson; Jack Stachel; Jonathan Eddy, and Carl Randau, all Communists or followers of the party line. By what stretch of the imagination can it be conceived that this gentry bent effort to a program dedicated purely and solely to the interest of the newspaper profession? Yet, notwithstanding such highly questionable sponsorship, weak-kneed renegades from the traditional ethics and objectivity of the fourth estate lost no time in boarding the Red bandwagon.

According to their own statement, the ANG-CIO now comprises 25,000 newspaper men and women, with locals in 100 cities of the United States, reporting and editing for 177 daily and Sunday newspapers and 45 news magazines and other publications and embracing radio commentators, as well, and the same statement proclaims as one of its major objectives, "to carry on the struggle for free trade-unionism as the most effective weapon for democracy throughout the world." It should be carefully noted that the interests of this so-called American newsmen's labor organization, presumably established to promote the welfare of its own specific American craft, clearly are not confined to the boundaries of the United States but are worldwide in scope, and it is also a significant fact that they have consistently refused to oust known Communists from membership. This unsavory alliance of newswriters operating a Political Action Committee of their own with a national labor organization, also operating a Political Action Committee, which chose as its chief counsel, Lee Pressman, an admitted Communist, and which is itself an explosive container of Socialist and Communist doctrines, is a self-evident menace not only to freedom of the press but to national security that cannot be ignored. Undeniably the association connotes a community of thought and action that is decidedly opposed to sound public policy, since press and radio are the prime agencies for molding public opinion and I submit that the principle involved in the relationship, its current and past conspiratorial activity and its potentialities, rep-

resents a fruitful field for congressional investigation.

Section 17 of article VII, local guilds, in the Manual of the American Newspaper Guild, reads as follows:

Locals shall do all in their power to strengthen the labor movement in their respective areas.

Can we be so naive that we cannot interpret that article to mean that guild members are policy-bound to extend favorable press consideration to CIO interests and that CIO interests and that CIO-recommended political candidates, committed to CIO aims, would be accorded press support or tempered treatment?

If proof is needed, reference is made to the resolution adopted at the guild annual convention in 1944 calling for all-out cooperation with the CIO Political Action Committee. That resolution still represents ANG policy in the absence of subsequent withdrawal.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. VAIL. I yield.

Mr. DONDERO. I noticed that the gentleman mentions the name of Joseph Zack. I happen to know him. I know his background. The gentleman has stated that correctly. But he has done everything within his power to assist us and assist our Government to turn the spotlight on and expose communism.

Mr. VAIL. I am happy to know that.

Mr. DONDERO. I know he has been before the Committee on Un-American Activities and has rendered fine service to our country.

Mr. VAIL. I am happy to know that. I thank the gentleman.

In this presentation I shall trace sketchily the connection from the inception of the CIO Political Action Committee to the present, citing facts that will establish beyond question the appalling potential, in opposition to the public interest, of the close working agreement between the ANG and the CIO and their respective Political Action Committees.

Quoting from the report of the Committee on Un-American Activities, House Report No. 1311:

The origin of the idea of the CIO Political Action Committee is of real importance. That origin was definitely with the Communist Party and some of its leaders. Communist Party publications, such as the New Masses and the Daily Worker, bore down heavily upon the need for an organization like the CIO Political Action Committee in the weeks preceding the formation of Hillman's committee. The record shows beyond possibility of any dispute that well-known Communists immediately assumed important roles in the regional, State and local activities of the CIO Political Action Committee.

Having already captured the leading positions in so many of the CIO industrial councils, the Communists have a ready made machinery for carrying out their political objectives. What was hitherto simply the local branch of the Communist Party now becomes, with the transformation of the party into an educational association, the local CIO Political Action Committee. In other words, the "comrades" preside one night over the CIO Industrial Union Council and the next night the same "comrades"

preside over the CIO Political Action Committee.

One of the methods by which the CIO Political Action Committee is at present carrying out its attack upon the Congress of the United States is the use of a chart which shows how the Members of the House of Representatives have voted on 20 measures. Members of Congress expect to be judged on their voting records but the important fact about the voting chart which is now in use by the CIO Political Action Committee is that it is the identical chart used by the Communist Party for the same purpose. In other words, the political views and philosophy of the Communist Party and the CIO Political Action Committee correspond in every detail.

With respect to my own district, the second of Illinois, the report states:

Herbert March is chairman of the arrangements committee and sponsors of the Hyde Park (Ill.) Joint Political Action Conference, the local organization of the CIO Political Action Committee. March is president of the Chicago Industrial Union Council, the Chicago organization in which all the locals of the CIO unions in the city and vicinity are federated. March is, in effect, the Chicago leader of the CIO Political Action Committee. In 1938, he was chairman of the CIO organizing committee in Armour Packing Co., and in 1939 he was district director of the Packinghouse Workers Organizing Committee. At the 1943 annual convention of the CIO, March was a delegate from the United Packing House Workers of America, of which union he is now a district organizer. From his trade-union record which we have cited, it is clear that Herbert March holds a high place in the affairs of the CIO.

Herbert March is a Communist. Not one of the secret variety, but one who has openly paraded his allegiance to the doctrines of Lenin and the destruction of American free institutions. March was formerly district organizer for the Young Communist League.

Herbert March's union, the United Packing House Workers of America, is dominated by Communist leadership. It is also one of the CIO unions which is most zealously contributing its resources to Sidney Hillman's CIO Political Action Committee.

In 1945 March was one of the instructors of a class on legislative program of organized labor, given at the Communist Abraham Lincoln School, 30 West Washington Street, Chicago. The Abraham Lincoln School was the successor of the Communist Workers School, formerly located at 64 West Randolph Street, Chicago.

Bringing the record up to date, March within the past few days has been the central figure in the controversy between the Red contingent and the anti-Communist group in the Packinghouse Workers Union in Minneapolis. The Reds tried to suspend the anti-Communists but finally agreed on a compromise that held in abeyance the suspension. There is little question but that the affairs of the union are controlled by the Communist faction under the general direction of Herbert March.

To such an organization the American Newspaper Guild has dedicated its sympathies and support. Does the American public need more evidence to rouse itself from its lethargy and to demand that vehicles of public information be cleansed of cancerous conditions? If more evidence is required, there is plenty available. The claim will be made that the Communist tinge has been eradicated from the CIO and it is true that Bridges' ILWU and the UEW have been ousted,

but these unions are blatantly communistic and separation was necessitated by public opinion and represented a "window-dressing" gesture. Communist influence continues quietly but forcefully in the CIO and it is the quiet element that is most effective and the cause for most concern. This point was stressed by J. Edgar Hoover on August 11, 1950, when he said:

I would never fear communism in America if all Communists were out in the open, peddling their wares in the market place of free speech and thought. But they are not. We cannot meet them on an even basis. They are working behind the masquerade of hypocrisy.

Quoting further from the committee's report:

The official program of the Communist International, which William Z. Foster, head of the American Communist Party, testified before the committee that he accepted, has the following to say about the place of trade unions in Communist objectives: It is particularly important for the purpose of winning over the majority of the proletariat, to gain control of the trade unions, which are genuine mass-working-class organizations, closely bound up with the every-day struggles of the working class. To work in reactionary trade unions and to skillfully obtain control of them, to win the confidence of the broad masses of the industrially organized workers and "remove from their posts" the reformist leaders, represent important tasks in the preparatory period.

On January 14-15, 1944, the CIO Political Action Committee held a conference in the Park Central Hotel in New York City. The predominance of Communists on the program of this conference provides a true index of the extent to which Communists have infiltrated the CIO and have also been accorded places on the CIO political action committee. The following Communists participated as speakers in that conference: Donald Henderson, Reid Robinson, Julius Em-spak, Grant W. Oakes, Michael J. Quill, Joseph Curran, Lewis Merrill, Ruth Young and Ferdinand C. Smith. If an organization that features such characters and their like as its leaders should, through the negligence of the American electorate, ever achieve political power in the United States, there would be an end to the American form of government as we have known it from the beginning of our Republic.

Note the preceding reference to Michael J. Quill. This self-same individual, according to press dispatches of August 2, 1951, is busily engaged in organizing the New York Police force as a component of his CIO Transport Workers Union. Some 4,500 of New York's "finest" have already been signed up. A charter will be issued following a TWU executive board meeting early next week.

This is only a start—

Newsmen were told.

Before long Mike Quill and the new local will be able to speak for the entire police force.

It is hoped that this challenge to the security of America's metropolis will be met by an outraged public in the forthright manner it deserves. It is unthinkable that supercontrol over the safety and security of the citizens of New York City should be placed in such dangerous hands by the acquiescence and cooperation of the police force. Their treachery

to the public they are sworn to protect must be thwarted decisively to prevent national CIO capture of local guardians of the law.

This is the same Mike Quill who escaped subpoena service I ordered when investigating communism in the CIO Transport Workers Union in Miami in 1948 at the request of Miami civic groups. He had used his influence with the union, which was later proven to be Communist-officered, to restore the Communist Charles Smolikoff, alias Charles Doraine, to his post as regional director from which he was ousted by membership vote because of Communist Party affiliation.

The alliance under CIO and CIO Political Action Committee domination of newsmen, transportation workers, and police presents to the largest city in America a grave situation and one demanding the most careful investigation and the speedy application of corrective measures.

It is reliably reported that the New York, Detroit, and Los Angeles guilds have been Communist controlled and they are still Communist infiltrated. In 1945 the New York local of the ANG joined with other organizations, for the most part Communist front, in demanding abolition of the Committee on Un-American Activities. In 1949, Detroit Police Commissioner Harry S. Toy, observing subversive reportorial activities, ruled that newsmen seeking unrestricted police and fire press cards would be required to take a loyalty oath as a security measure, thereby drawing the sharp criticism of the guild. In 1950, the Detroit guild unanimously adopted a resolution condemning a Detroit police order to remove the inflammatory Daily Worker and the Michigan edition of the Worker from their stands or face closing down. Quoting from the testimony of Sgt. Harry Mikuliac, Detroit police department:

Laurence Emerg, a Daily Worker correspondent for the State of Michigan and a man who served time in San Quentin for criminal syndicalism, served as a member of the executive board of ANG.

John P. Frey, A. F. of L. official, testified before the Committee on Un-American Activities:

Among other CIO leaders and organizers in St. Louis who are affiliated with the Communist Party is John W. Klyman, vice president of the Newspaper Guild.

In 1948 the Los Angeles guild unanimously passed a resolution condemning the Mundt-Nixon subversive activities control bill. The New York guild called on Congressmen to oppose the measure, in the framing of which I participated, as a member of the Subcommittee on Legislation of the Committee on Un-American Activities.

Quoting from documentation and comment on left wing bias in the AP report, Charles A. Hazen, of the Shreveport Times, said:

It could have been bias induced by the newspaper guild, with which many AP employees are affiliated. The guild is part of the CIO, which is strongly pro-Truman and has its own policies on many issues of the day. In respect to the McCarthy charges, the guild president said at the recent an-

nual convention that they were a "campaign of character assassination."

At an annual guild convention delegates adopted a resolution pledging support to Communist Harry Bridges, president of the Communist International Longshoremen's and Warehousemen's Union, at that time affiliated with the CIO, who was then under investigation and in danger of deportation.

Quoting from the testimony of Kenneth Goff before the Committee on Un-American Activities:

Well, in Wisconsin, the Communists control considerable labor groups, especially in the CIO. Take, for instance, Amos Castello; he was a member of the State board of the Communist Party and one of the leading men in the CIO there. Up until about a month ago he was the State president of the CIO; but they withdrew in the election this time to bring about a unity; but, in withdrawing, they put in a man whom they control, this Gunnel Michaelson, who was formerly a big Communist but who never attends a Communist meeting since he has been with the CIO, but his wife always attends the Communist meetings, and he has worked with me in many campaigns.

Mr. MATTHEWS. To what union did Mr. Michaelson belong?

Mr. GOFF. Mr. Michaelson was formerly with the Newspaper Guild. Now he is State secretary of the CIO.

Quoting excerpts from Westbrook Pegler June 19, 1940:

The New York Guild, which promotes the Communist Party line at the expense of American newspaper workers in New York and other cities. * * * The Stalinist Guild of Los Angeles supporting their comrades in New York. * * * The Los Angeles Guild is notoriously communistic. * * * The Guild Reporter (official organ of the guild) which has been consistently and abusively communistic. * * * Moscow still runs the Newspaper Guild.

The national convention of the American Newspaper Guild, held at San Francisco July 3, 1948, condemned dismissal of reporter Thomas G. Buchanan by the Washington Star after he admitted he was a Communist. By a vote of 273 to 18½ the convention voted against a minority report that would have upheld his discharge.

Sam Eubanks, executive vice president of the CIO Newspaper Guild, is pictured in the CIO News, August 13, 1951, in the act of soliciting support from Leland Beard, first vice president of the CIO Glass Workers, for a proposed National Labor Daily. Here is depicted unmistakably the guild interest in promotion of CIO objectives.

Even the youth of the country does not escape the thorough and skillful propaganda program of ANG-CIO. The guild follows approved radical lines in reaching out into schools and colleges to admit to associate membership undergraduates pursuing journalistic courses in order to insure early indoctrination of students with guild-CIO theories.

In all cities where the guild has secured a foothold the radical influence is apparent in the news content. The Reds well know the strategic importance of controlling means of communication, hence their amazingly bold effort to subjugate press, radio, and the films. Harper L. Knowles, chairman of the radical re-

search committee of the American Legion, Department of California, stated in his testimony before the Committee on Un-American Activities:

It was the intention of the Communist Party, following a policy formulated by the Communist District Bureau, to increase the membership of the Newspaper Guild and establish nuclei in the various newspapers so that they could control the presentation of news at the time of calling a general Nation-wide strike.

That the CIO intends in no uncertain fashion to realize upon the connection is clearly borne out by the statement of James C. Quinn, secretary of the Cleveland Industrial Union Council, an organization of local CIO unions, in a speech in Cleveland on October 11, 1950, during which he said:

Someday we will be able to tell the papers what to print and what not to print.

Obviously, Quinn was aware of the stranglehold the ANG-CIO was gradually securing upon our American press and he knew well the use to which power, when fully developed, would be directed.

Municipal, State, or Federal employees are not permitted to strike on the sound principle of protection of the public interest. Is it not equally discernible that national chaos could result from a sudden Nation-wide, public information strike ordered by the CIO?

The traditional ethics of the profession would have once constituted assurance of independent reportorial thought and action but the term and its implications so far as guild membership is concerned were discarded with the sell-out of guildsmen to the CIO. Guild membership will naturally deny that objectivity has been or will be affected through the association but it no longer requires close observation to note its influence.

Well do I know that guild protagonists will beat their breasts and cry out through their columns, if they dare attract public attention to their degradation, that legislation I have already proposed in H. R. 2516 will take from them their constitutional rights—privileges granted under the law to other labor groups of collective bargaining under the pressure potential of the master organization. They will point to shorter hours and higher pay and improved conditions over the 15 years of ANG-CIO affiliation, but similar benefits have accrued to American workers in all fields of endeavor and consistent progress was made in that direction before the advent of the New Deal or the creation of the CIO.

However, that is not the point in this discussion. The point I want to stress is the complete lack of regard inherent in the association for the interests of the news-reading public and the long-range welfare of the country.

I contend that the very nature of the reportorial function, both press and radio, must of necessity deny to newsmen any type of association that would represent an influence affecting their product. The reporting of news without bias is a fundamental obligation of press and radio, and departure from that principle is an infringement upon the rights of the public and a threat to national wel-

fare, since conclusions reached by the public are premised, in major part, upon information supplied by those agencies.

Under date of June 27, 1951, I received the following communication from the Chicago Newspaper Guild, in which they outlined their endorsement of controls and roll-backs—reflecting CIO policy—and urged my support:

At our Chicago Newspaper Guild meeting the other evening, we devoted some time to a discussion of the problems of price control, inflation, and the Defense Production Act.

As working newspaper men and women on the wire services, the daily press and community papers, we are in a special position to appreciate the effects of inflation upon the consumer pocketbook.

It is our considered judgment that there is no other immediate way to stave off further inflation unless Congress gives adequate authority to Mr. Wilson, Mr. DiSalle, and Mr. Johnston to impose wage, price, and credit ceilings to haul prices down to a normal level.

We are therefore urging you to do everything you can to secure such authority and controls as quickly as possible.

It is reasonably safe to assume that the above was inspired by the parent organization, the CIO, which utilized the power and influence of its affiliate to further its aims. In the light of their advocacy of a legislative program it is my opinion that the membership of the guild has established beyond question its inability to report objectively and I further believe that noncompliance on the part of a legislator would be followed by an adverse press.

I contend that the identity of the individuals named herein as responsible for the founding and development of the ANG-CIO alliance establishes beyond a shred of doubt its leftist character and permits accurate appraisal of its purpose. I congratulate those who have voluntarily resigned and I recommend to the favorable consideration of current membership the statement of Joseph F. Dinneen who in withdrawing said:

The guild cannot influence, either directly or indirectly, what I think, what I write, how I vote or how I cover a strike. It cannot bind me to labor's nonpartisan league or commit me to any political party; and there are thousands of newspapermen who feel as I do. And so, Mr. President, international vice presidents, members of the international executive board, distinguished guests, ladies and gentlemen, I resign.

Because of the fact that I do not believe that any proper interest of the newspaper profession is served by association with the CIO and because I believe the public interest is endangered thereby I introduced H. R. 2516. I am today introducing another resolution representing another approach that will serve the vital purpose of informing the public of author affiliation to permit correct appraisal of news content. Under this resolution, publishers would be required to insert the abbreviation ANG-CIO under the caption and above each article, editorial, column, or commentary written by a member of the ANG-CIO. Publishers would also be required to indicate in the left corner of the masthead the following: The abbreviation ANG-CIO prefacing news content indicates that the

author thereof is a member of the American Newspaper Guild-CIO.

To this insurance against insidious propaganda the American public is justly entitled.

The best plan, of course, would be to legislate to end the affiliation and the coalition of interest inherent therein. Whatever method is adopted, the crusade for the preservation of the traditional honor of the press must be prosecuted to successful conclusion to insure that our heritage of liberty descend unrestricted to future generations.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and to include as a part thereof a letter from an arm amputee regarding the fact that the Senate did not include them in their bill and that the House in its wisdom struck out all after the enacting clause and inserted the House bill which included the arm amputees; also a letter from Col. George Ijams, former Deputy Administrator of the Veterans' Administration; also some letters from AMVETS regarding the veto of H. R. 3193 which comes up the first thing tomorrow; also resolutions and petitions to the President of the United States.)

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, regarding H. R. 3193, I would like to point out that I think the President was under a false impression when he vetoed the measure, because the men affected are either helpless or blind, or so nearly so that they require the aid of another person. Also, Mr. Speaker, there was an income limitation of \$1,000 or \$2,500 if there were dependents. If these men do not get help, they will be on relief. There is something very obnoxious and abhorrent to the American people to have a very badly disabled veteran on relief.

CONSOLIDATION OF VETERANS' ADMINISTRATION DISTRICT OFFICES

Mr. Speaker, I am very deeply concerned over the attitude of the Veterans' Administration in connection with the removal of district offices. The President told me the matter was not closed regarding the consolidation of these offices, a matter which would cause so much hardship both to the beneficiaries of death claims and insurance, and the workers in these offices themselves. The President told me the matter was not closed; that was a week ago Monday. Only the middle of last week Major Clark told me that no people would be dismissed in the Boston office before the matter was settled.

A telegram I received from Richard Abrams says "Original date for Boston transfer was February 1952. Two weeks ago date stepped up to November 1951. Latest order is for September 10."

I made an appointment with General Gray for the Members of Congress who are protesting this removal for September 14. It seems that the Veterans' Ad-

ministration is deliberately disobeying all suggestions from everybody, including the Members of both Houses, who are fighting very vigorously to have these offices remain where they are. Yet they are going ahead with their plans. The General Services Administration wants the Atwater Kent Building for the Frankfurt Arsenal in Philadelphia. The Veterans' Administration, although created to help the veterans, is not a cooperative department. There are some employees, fortunately, who are very cooperative and helpful, but by and large it is a very uncooperative department.

Mr. Speaker, I was told just awhile ago by a very prominent Veterans' Administration official that by reason of these offices being closed and the orders which are being sent out regarding the dismissal of this personnel the people in these district offices are so frightened that they will lose their jobs that they are leaving the Administration or signing up to go to Philadelphia. There is something that seems very bad and very tricky about the whole thing, and it should be stopped.

AMVETS,

Washington, D. C., August 15, 1951.

HON. EDITH NOURSE ROGERS,
United States Representative,
House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: AMVETS (American Veterans of World War II) urge the Congress to pass H. R. 3193 over the President's veto. The bill would increase pension to certain disabled veterans. All of these men are either helpless or blind or so nearly so that they require the aid of another person.

AMVETS are of the belief that the veterans covered by this bill are by far the most meritorious of the non-service-connected disability class. The suggestion that they should be provided for in other than veterans' legislation is unrealistic when such suggested legislation is not forthcoming. The suggestion that these veterans are dipping their hands in the public till is also unwarranted since a definite income limitation is placed upon them—veterans covered by this bill cannot have more than \$1,000 annual income, if single, or \$2,500, if with dependents, in order to get the benefits of this proposal.

To deny this increase to these disabled veterans to meet the admitted increase in the cost of living, solely on the wild estimate that this proposal will cost the American taxpayer \$400,000,000 per year by the end of the century, is—we submit—to deny public responsibility to these disabled veterans who served their country in time of war and now are so incapacitated that they require the aid of another person.

AMVETS urge you to vote for H. R. 3193 over the President's veto.

Very respectfully yours,

CHARLES H. SLAYMAN, JR.,
National Legislative Director.

VETERANS OF FOREIGN
WARS OF THE UNITED STATES,
NATIONAL LEGISLATIVE SERVICE,
Washington, D. C., August 15, 1951.

A PLEA FOR SUPPORT OF THE RECOMMENDATION OF THE HOUSE COMMITTEE ON VETERANS' AFFAIRS TO OVERRIDE THE VETO OF H. R. 3193

DEAR CONGRESSMAN: You are respectfully urged, in the name of common decency and justice, to support the recommendation of the House Committee on Veterans Affairs that the House of Representatives override the Presidential veto which was applied to H. R. 3193, a bill to authorize an extra pension

allowance for those World War I and II veterans who are so helpless or blind as to need constant aid and attendance and who can otherwise meet the rigid eligibility requirements to receive a non-service-connected disability pension. It is understood this bill, with the report of the House Veterans' Committee, will be brought up for action on Friday, August 17, 1951.

The President, in vetoing this bill, outlined three principal objections. First, the question of cost—present and future; second, that the disabilities for which the veteran would receive the extra pension allowance are not directly related to active service; and, third, that the bill would create a further spread between the treatment of veterans and nonveterans by the Federal Government. In essence, the President indicates that he is opposed to the payment of non-service-connected pensions to veterans and that there should be no distinction between the treatment accorded veterans and nonveterans by the Federal Government. What are the facts?

1. Costs: According to the veto message the President has estimated that the first year's cost of this bill would be approximately \$18,700,000 and that a projection of the cost, on the basis of experience under similar pension legislation for Spanish-American War veterans, would approach \$400,000,000 a year by the end of the century. The Veterans of Foreign Wars vigorously takes issue with the accuracy of this cost estimate. In the first place it is impossible to accurately project the cost of this bill on the basis of Spanish-American War veterans' experience because the eligibility requirements for the Spanish-American War veterans are more liberal than the eligibility requirements for World War I and II veterans. A Spanish-American War veteran needs only to establish proof that he is so helpless or blind as to require aid and attendance, regardless of misconduct or income. The World War I and II veteran, in addition to establishing proof that he is so helpless or blind as to need aid and attendance, also must show that his disabilities are not the result of misconduct and that he does not have an income in excess of \$1,000 per year if no dependents or \$2,500 per year with dependents. It should be pointed out that the income limitation, along with the growth and extension of social security plus growing industrial pension systems, will serve to keep the number of World War I and II veterans eligible for this pension to the barest minimum.

The present average age of Spanish-American War veterans is 73 years plus. Only 8 percent of all Spanish-American War veterans now receiving age and disability service pensions are receiving the special allowance for the helpless or blind. Taking into consideration the income limitation affecting World War I and II veterans, is it not reasonable to believe that the percentage of said veterans eligible to receive this special allowance will be considerably less than the Spanish-American War veterans? Using the Spanish-American War experience and not taking into consideration the income limitation which applies in one case and does not apply in the other case, the Veterans of Foreign Wars has generously estimated that not more than 20,000 World War I and II veterans would be eligible to receive this special pension allowance the first year at a total cost of approximately \$13,680,000. This is substantially less than the President estimated, using somewhat the same formula. It is our considered judgment that the President's projected estimates of costs did not take into consideration the stern requirements and income limitations which will strongly affect World War I and II eligibility to this particular pension.

In speaking of the costs of this special pension allowance it could well be pointed

out that 1 week's cost of the current Marshall-aid program (not including military assistance) for Europe would pay this pension cost for a period of 4 years, and that the appropriation which the President is now asking from Congress for 1 year's military and rehabilitation aid for Europe would more than pay the total cost of this pension increase throughout the entire life span of all World War I and II veterans, assuming that the pension legislation remained in effect for that period of time.

2. Pensions for disabilities not related to service: Pensions for aged and helpless veterans have been a tradition and policy in the United States beginning with the early Plymouth Colony. Special pension allowances for helpless or blind veterans were first authorized for Civil War veterans and later extended to Spanish-American War veterans. On July 30, 1947, President Truman approved Public Law 270, Eightieth Congress, which increased the special pension for helpless or blind Spanish-American War veterans from \$100 to \$120 monthly. H. R. 3193, which was vetoed, is not something new or a departure from the traditional policy of the United States. If these helpless or blind World War I and II veterans are not worthy and deserving of the \$120 monthly pensions because their disabilities are not directly related to their service, are they deserving and worthy of the present \$60 or \$72 monthly pension which they are now receiving under the same circumstances?

3. Discrimination between veterans and nonveterans: If there should be no discrimination between the treatment and care of veterans and nonveterans by the Federal Government, should there be discrimination between servicemen and civilians in time of war or national emergencies? Should the civilians or nonveterans be subjected to the same rates of pay, the same discipline, the same punishment, and the same loss of personal freedom and independent action as apply to servicemen who later become veterans? The whole theory of special assistance to aged and disabled veterans is based upon the measure of sacrifice, economic dislocation, and loss of personal freedom which applies to members of the Armed Forces on active duty in time of war or national emergencies. Please vote to override.

Respectfully yours,

OMAR B. KETCHUM,

Director, National Legislative Service, VFW.

SHELBYVILLE, TENN., August 14, 1951.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: As an arm-amputee veteran of World War II, I was very much disappointed to learn of the passage by the Senate of S. 1864 in lieu of H. R. 4233, which would have granted an automobile allowance to those seriously disabled veterans not now eligible for it.

First through congressional inaction and then Presidential veto, this particular form of rehabilitation aid has been refused arm-amputees and blind veterans, although it would seem that such severely handicapped persons are as much entitled as any other to the benefit of a private automobile so as to obviate the difficulties occasioned by constant use of crowded public conveyances in carrying on normal business and everyday affairs.

Realizing and appreciating the effort you have made over the past 5 years to secure the automobile allowance for those previously denied it, I urge you most earnestly to exert every effort to amend S. 1864 so as to include in its provisions not only World War II arm-amputee and blind veterans, but also similarly situated victims of the Korean fighting, whose case is equally meritorious.

Sincerely yours,

ERNEST F. LANGHOLZ.

PETITION TO THE PRESIDENT OF THE UNITED STATES WITH REFERENCE TO THE PROPOSED CONSOLIDATION OF CERTAIN VETERANS' ADMINISTRATION ACTIVITIES IN THE PHILADELPHIA OFFICE OF THE VETERANS' ADMINISTRATION

Whereas the Administrator of Veterans' Affairs has recently announced plans for the abolition of the Boston, New York, and Richmond offices of the Veterans' Administration and for the consolidation of the Veterans' Administration insurance and death-claims activities heretofore administered by such district offices in a single Veterans' Administration district office in Philadelphia; and

Whereas such consolidation would have a serious adverse economic effect upon the New England States, which, according to statistics presented by the President's Council of Economic Advisors, are already being drained of industry and population, and upon the New York and Richmond areas; and

Whereas the present system is being efficiently and humanely administered, while the proposed consolidation would result in inefficiency and in hardship to the beneficiaries and employees of the Veterans' Administration, and their dependents, who live in New England, New York, and Virginia; and

Whereas the expense which will be incurred in moving the Veterans' Administration facilities now located in Boston, New York, and Richmond, and the continuing confusion which will result therefrom, will more than counteract any economies produced by the consolidation of such facilities; and

Whereas emphasis is currently being placed upon decentralization, rather than consolidation, in the operation of the Government: Therefore

We, the undersigned Members of the House of Representatives, respectfully request the President of the United States to take such action as may be necessary to insure that the Veterans' Administration will not carry into effect its proposed plan to abolish the Veterans' Administration District offices in Boston, New York, and Richmond and to consolidate the insurance and death-claims activities heretofore administered by such district offices in a single Veterans' Administration district office in Philadelphia.

JOHN W. MCCORMACK; EDITH NOURSE ROGERS; ALBERT P. MORANO, Member of Congress; DONALD W. NICHOLSON; HAROLD D. DONOHUE; JIM PATTERSON, Connecticut, Fifth; ANTONI SADLAK; FOSTER FURCOLO; ERNEST GREENWOOD; JAMES J. HEFFERNAN; HAROLD D. COOLEY, North Carolina; FRANKLIN D. ROOSEVELT, Jr., CHESTER E. MERROW; JOHN J. ROONEY, New York; WINSTON L. PROUTY, Vermont; CHARLES P. NELSON, Maine; JOSEPH W. MARTIN, Jr.; PHILIP J. PHILBIN, Member of Congress; HORACE SEELY-BROWN, Member of Congress, Second Connecticut; ARTHUR G. KLEIN; THOMAS J. LANE, Seventh Massachusetts; LOUIS B. HELLER, New York; L. GARY CLEMENTE, New York; ABRAHAM J. MULTER, New York; A. A. RIBICOFF, Connecticut; J. K. JAVITS, Twenty-first, New York; CHRISTIAN A. HERTER, Tenth, Massachusetts; JOHN F. KENNEDY, Eleventh, Massachusetts.

BOSTON, MASS., August 16, 1951.

Hon. EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.:

Employees Boston district office desire to register vigorous protest Administrator's plan accelerating date of movement Boston employees to Philadelphia from some time

February 1952 to September 30, 1951. Resolutely protest demand issued August 15, 1951. Those employees unwilling to transfer to Philadelphia submit resignations by August 24, 1951. Movement such short notice imposes grave hardships on employees affected. Employees fully aware and appreciative of your interest in their behalf and your continued action to prevent consolidation and forestall acceleration of movement is desired.

EMPLOYEES DISTRICT OFFICE,
VETERANS' ADMINISTRATION.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. BARTLETT in three instances and to include two resolutions and an article.

Mr. BLATNIK and to include a newspaper article.

Mr. MORANO and to include an excellent editorial from the Danbury News-Times.

Mr. ANGELL and to include in the remarks he will make in the Committee of the Whole certain extraneous matter and tables.

Mr. BURDICK on the subject of the new discovery of oil.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. HOFFMAN of Michigan and, in the remarks he will make in the Committee of the Whole today, tomorrow, and under the 5-minute rule, to include extraneous matter.

Mr. ARENDS and to include a newspaper article.

Mrs. ST. GEORGE and to include a newspaper article.

Mrs. ROGERS of Massachusetts and to include very strong arguments against the consolidation of the Veterans' Administration offices in Philadelphia.

Mrs. BOLTON and to include an editorial.

Mr. MERROW to revise and extend the remarks he made in the Committee of the Whole and to include certain quotations and extraneous matter.

Mr. REES of Kansas and to include three resolutions.

Mr. CURTIS of Nebraska and to include a resolution.

Mr. POULSON in two instances and to include extraneous matter.

Mr. BURDICK to revise and extend the remarks he will make tomorrow and include certain data.

Mr. MEADER to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include extraneous matter.

Mr. MACHROWICZ and to include an editorial from the Detroit News.

Mr. HAYS of Arkansas and to include extraneous matter.

Mr. LESINSKI and to include an article.

Mr. YORTY in two instances and to include extraneous matter.

Mr. FURCOLO and to include a speech by Dr. Stevens.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. JENSEN and to include a letter written by Mr. A. SIDNEY CAMP.

Mr. JUDD in three instances and to include extraneous matter.

Mr. BRAY.

Mr. GROSS and to include extraneous material.

Mr. CELLER.

Mr. McCORMACK and to include an article appearing in the magazine, the Sign, relating to Mr. LOUIS C. RABAUT.

Mr. SIEMINSKI.

Mr. MURPHY (at the request of Mr. SIEMINSKI).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORTON (at the request of Mr. ANDERSON of California), indefinitely, on account of illness in family.

Mr. LUCAS, for an indefinite period, on account of official business.

Mr. WOOD of Idaho, for an indefinite period, on account of official business.

Mr. MCGREGOR, for 10 days, on account of official business.

ENROLLED BILLS SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3880. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes.

ADJOURNMENT

Mr. SIEMINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 45 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, August 17, 1951, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV executive communications were taken from the Speaker's table and referred as follows:

720. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill to authorize the establishment of postal stations and branch post offices at military, naval, and Coast Guard camps, posts, or stations and at defense or other strategic installations, and for other purposes"; to the Committee on Post Office and Civil Service.

721. A letter from the Assistant Secretary of Defense, transmitting a draft and sectional analysis of legislation entitled "A bill to authorize attendance of civilians at schools conducted by the Department of Defense and the Department of the Treasury, and for other purposes"; to the Committee on Armed Services.

722. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of a bill entitled "A bill establishing a general policy with respect to payments to State and local governments on account of Federal real property and tangible personal property by providing for the taxation of certain Federal property and for payments in connection with certain other Federal property, and for other purposes"; to the Committee on Interior and Insular Affairs.

723. A letter from the Chairman, United States Civil Service Commission, transmitting a draft of a bill entitled "A bill to further amend the Veterans' Preference Act of 1944, as amended, with respect to preference accorded in Federal employment to dis-

abled veterans, and for other purposes"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. WOODROW W. JONES: Committee on the Judiciary. H. R. 4945. A bill to authorize the use of appropriations for refunding moneys erroneously received and covered for the refund of forfeited bail; without amendment (Rept. No. 884). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 390. Resolution creating a select committee to conduct an investigation and study of the Katyn Forest massacre; without amendment (Rept. No. 885). Referred to the House Calendar.

Mr. WHITTEN: Committee of Conference. H. R. 3973. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1952, and for other purposes (Rept. No. 886). Ordered to be printed.

Mr. FOGARTY: Committee of Conference. H. R. 3709. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1952, and for other purposes; without amendment (Rept. No. 887). Ordered to be printed.

Mr. KIRWAN: Committee of Conference. H. R. 3709. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1952, and for other purposes; without amendment (Rept. No. 888). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 40. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 882). Referred to the Committee of the Whole House.

Mr. JONAS: Committee on the Judiciary. H. R. 846. A bill for the relief of Henry J. Krueger; with amendment (Rept. No. 883). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLINGER:

H. R. 5189. A bill to establish in the Department of Commerce a Consumers' Advisory Bureau, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 5190. A bill to promote the further development of public library service in rural areas; to the Committee on Education and Labor.

By Mr. DAWSON:

H. R. 5191. A bill to discontinue certain reports now required by law; to the Committee on Expenditures in the Executive Departments.

H. R. 5192. A bill to authorize the transfer of certain property by the Administrator of

the General Services Administration to the Secretary of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK:

H. R. 5193. A bill relating to the exemption of foreign travel from the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 5194. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law; to the Committee on the Judiciary.

By Mr. TACKETT:

H. R. 5195. A bill to promote the further development of public library service in rural areas; to the Committee on Education and Labor.

By Mr. WOLVERTON:

H. R. 5196. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning a bridge across the Delaware River to provide a connection between the Pennsylvania Turnpike system and the New Jersey Turnpike, and for other purposes; to the Committee on Public Works.

By Mr. CORBETT:

H. R. 5197. A bill to establish a presumption of service connection for poliomyelitis contracted within 5 years after separation from active service by World War II veterans who were prisoners of war; to the Committee on Veterans' Affairs.

By Mr. CRAWFORD:

H. R. 5198. A bill authorizing and directing the Secretary of the Army to transfer certain property located in St. Thomas, V. I., to the control and administrative supervision of the Department of the Interior; to the Committee on Armed Services.

By Mr. FORD:

H. R. 5199. A bill to require that a performance bond be furnished by each person awarded a contract relating to defense activities of the United States; to the Committee on Armed Services.

By Mr. FULTON:

H. R. 5200. A bill to establish a presumption of service-connection for poliomyelitis contracted within 5 years after separation from active service by World War II veterans who were prisoners of war; to the Committee on Veterans' Affairs.

By Mr. MITCHELL:

H. R. 5201. A bill to amend the Atomic Energy Act by providing for the sale of residential and commercial properties owned by the United States at Oak Ridge, Tenn.; to the Joint Committee on Atomic Energy.

By Mr. RAMSAY:

H. R. 5202. A bill to promote the national defense by providing for appointment of cadets and midshipmen from the enlisted ranks; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 5203. A bill to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans; to the Committee on Banking and Currency.

By Mr. VAIL:

H. R. 5204. A bill to require that the membership of news reporters and commentators and other persons in labor organizations be disclosed in connection with the publication or broadcast of certain news reports and other matter; to the Committee on Education and Labor.

By Mr. MILLS:

H. J. Res. 317. Joint resolution authorizing additional extensions of time for filing ex-

cess-profits tax returns for certain taxable years; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the General Court of Massachusetts, expressing disapproval of a proposal to close the district office of the Veterans' Administration at Boston; to the Committee on Veterans' Affairs.

By Mr. GOODWIN: Resolution of Massachusetts Legislature memorializing Congress to take the necessary steps to prevent the closing of the district office of the Veterans' Administration in Boston and the removal thereof to Philadelphia; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, expressing disapproval of a proposal to close to district office of the Veterans' Administration at Boston; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts to prevent the closing of the district office of the Veterans' Administration in Boston and removal thereof to Philadelphia; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 5205. A bill for the relief of Raymond C. Geier; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5206. A bill for the relief of Gregg Ted Lewis; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 5207. A bill for the relief of Julio Mercado Toledo; to the Committee on the Judiciary.

H. R. 5208. A bill for the relief of Sor Teresa Gea Martinez, Sor Eufrasia Gomez Gallego, Sor Francisca Gil Martinez, and Sor Rosalia De La Maza; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 5209. A bill for the relief of Raymond C. Geier; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5210. A bill for the relief of Robert K. Wong; to the Committee on the Judiciary.

By Mr. MORTON:

H. R. 5211. A bill for the relief of Michael Kay; to the Committee on the Judiciary.

H. R. 5212. A bill for the relief of Jon Sigurdur Gudmundsson; to the Committee on the Judiciary.

By Mr. REES of Kansas:

H. R. 5213. A bill for the relief of Mrs. Ada L. Murphy; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 5214. A bill for the relief of Hela Feder Sooaar; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

395. The SPEAKER presented a petition of the National Federation of Amami Associations, Tokyo, Japan, relative to a revision of the draft of Japanese Peace Treaty in respect of territorial questions, which was referred to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 17, 1951

The House met at 10 o'clock a. m.
Rev. A. Grady Hallonquist, minister, Grace Methodist Church, Houston, Tex., offered the following prayer:

Almighty God, who by Thy holy spirit did guide the fathers of our Nation into the ways of truth and righteousness as they labored together in laying the foundations of this great Republic, enlighten, we pray Thee, our minds and inspire our hearts that we may prove ourselves a people dedicated to those lofty ideals for which they so willingly gave their full measure of devotion.

Direct, we beseech Thee, this session of Congress. Endue with heavenly wisdom Thy servants who make up this body as they decide the issues of state. Bless our land with honorable industry, sound learning, and pure religion. Remove far from us the spirit of pride and every evil way. In times of prosperity may we be humbly grateful. In times of challenge grant us courage, and in times of adversity, suffer not our trust in Thee to fail; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

NON-SERVICE-CONNECTED PENSIONS TO DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I submit a privileged report from the Committee on Veterans' Affairs on the bill (H. R. 3193) to establish a rate of pension for aid and attendance under part III of Veterans' Regulation No. 1 (a), as amended. The Clerk read as follows:

Your Committee on Veterans' Affairs, to whom was referred the bill, H. R. 3193, entitled "A bill to establish a rate of pension for aid and attendance under part III of Veterans' Regulation No. 1 (a), as amended," together with the objections of the President thereto, having reconsidered said bill and the objections of the President thereto, reports the same back to the House with the unanimous recommendation that said bill do pass, the objections of the President to the contrary notwithstanding.

This bill provides a pension of \$120 a month for totally and permanently disabled, non-service-connected veterans of World Wars I and II, and of the present conflict, where aid and attendance of another person is required, based upon a disability involving blindness or helplessness. The Spanish-American and Civil War veterans already enjoy such a rate. However, there is a difference in eligibility requirements, since veterans covered by this bill may not receive this pension if their annual income exceeds \$1,000 if single, or \$2,500 if with dependents. Veterans of the Spanish-American War and Civil War, on the other hand, do not have to meet any income limitation. In addition, misconduct bars the receipt of pension by World War I and II veterans and this provision applies to the \$120 herein provided.

The committee wishes to reiterate its belief that the veterans covered by this bill are by far the most meritorious of this disability class. All of these veterans are either helpless or blind, or so nearly helpless or blind as to need the regular aid and attendance of another person. In other words, the veterans covered by this legislation need another person in order to take care of their ordinary creature comforts.

This bill was carefully considered by the full committee after a hearing by a subcommittee. The committee, after again considering the subject in view of the President's veto message, is of the unanimous opinion that the bill should pass, despite the objections which have been raised against it.

The immediate cost is very small, inasmuch as the first-year cost would approximate \$16,700,000. It has become the fashion in recent years apparently for the executive department to forecast all costs of veterans' legislation on a 50-year basis, or until the end of the present century. Why veterans' legislation should be singled out for this treatment is uncertain, but there seems to be no valid reason why, if we are to estimate the cost of veterans' legislation for the next 50 years, we should not apply the same standard to all long-range programs of the Government. Comparisons on this basis show the immediate cost of the present bill to be small, as well as the long-range cost.

An estimate of this type contained in the veto message is a guess at best and should not be given any greater weight than a simple guess.

For several years there has been a contention in the executive department of the Government that veterans' benefits should be merged into the social security system. The committee does not agree with this point of view, because it believes that veterans have made a particular contribution to the Nation in a time of peril and, based on this contribution, are entitled to special consideration above those who did not render such service.

For the above reasons, all of which appear to be valid, the committee recommends that the bill be enacted into law, the objections of the President to the contrary notwithstanding.

The SPEAKER. The question is, Will the House on reconsideration pass the bill, the objections of the President to the contrary notwithstanding?

Mr. RANKIN. Mr. Speaker, I ask for recognition.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include letters which I have received from the American Legion, one from the Veterans of Foreign Wars, one from the Disabled American Veterans, and one from the AMVETS or the American Veterans of World War II, all supporting this measure and urging the Congress to override the veto.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.
(The letters referred to are as follows:)

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., August 15, 1951.
HON. JOHN E. RANKIN,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN RANKIN: On August 6, 1951, the President vetoed H. R. 3193, a bill to provide a pension of \$120 a month for veterans of World Wars I and II and of the present conflict in those cases where an otherwise eligible veteran needs the regular aid and attendance of another person. The disability is of a non-service-connected type. Persons serving on and after June 27, 1950, and until such time as determined by the President or Congress, are covered by this proposal by virtue of Public Law 28 of the Eighty-second Congress.